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Planning for **Horizon 2000** San Jose's Future

1987 Special Review of the General Plan

Final Report

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1987 Special Review of the General Plan

EXECUTIVE SUMMARY

The Horizon 2000 General Plan requires that an assessment of development assumptions incorporated into the Plan and progress toward accomplishing the Plan's objectives be undertaken during the 1987 Annual General Plan Review process. The key findings of this Special Review study are:

DEVELOPMENT AND DEMOGRAPHIC ASSUMPTIONS

- Housing production has averaged 3,860 units per year since 1980, which is slightly over the target in the Plan of 3,655 units annually.

- Population has grown by 74,000 persons -- over 50% of the projected 1980-to-2000 growth -- due to higher than expected household sizes.

- It is estimated that an average of 7,400 new jobs have been created annually since 1980. This constitutes 45% of Countywide job creation during this period, a significant improvement over San Jose's 37% share in 1980 and moving toward the 51% target in the Plan. However, Countywide employment growth is not keeping pace with projections, so San Jose's annual new jobs are short of the numerical target of 8,900.

- It is estimated that employment growth since 1980 has exceeded the increase in resident workers by 2,000 jobs, marking a small improvement in the jobs/housing imbalance in San Jose.

- It is estimated that the average number of workers per household has reached 1.51 in 1987, up from 1.46 in 1980. The Plan assumes 1.59 workers per household by 2000.

- The year 2000 residential holding capacity of the Land Use/Transportation Diagram has increased by 3,600 dwelling units in the Annual Review processes since the 1984 adoption of the Horizon 2000 Plan. In the 1987 Annual Review, an additional increase of 8,000 units holding capacity is being considered in the Golden Triangle Area alone.

LEVEL OF SERVICE GOALS

- POLICE and FIRE response times have improved since 1984, and continuation of established trends should result in the response time goals (7 minutes for Police; 4 minutes for Fire) being met by the year 2000.

- The PARKS goal of 1.5 acres of local parklands per 1,000 population is close to being met in terms of ownership (1.47 acres/1,000), though a significantly smaller portion of the City's park sites are improved for public use (1.12 acres/1,000). To match future growth, 225 acres will need to be acquired by year 2000. The average of 19,400 square feet of

community center floor space per community service area is deficient when compared to the goal of 30,000 square feet.

- Two of three LIBRARY service measures have improved. Branch library square footage per 50,000 population increased from 8,245 to 8,950 between 1984 and 1986 (the goal is 10,000). Weekly service hours per 10,000 population increased from 10.3 to 14.2 between 1983 and 1986 (the goal is 18.2). However, books per capita declined from 1.82 to 1.75 between 1984 and 1986 (the goal is 2.82) and is projected to decline further to 1.63 by 1988. Purchase of 168,000 new books each year would be needed to meet the books per capita service level goal by 2000.

- TRANSPORTATION level of service has improved since 1984, with the percentage of intersections operating at LOS "E" or "F" at the peak hour declining from over 20% to 16%. The overall effects of budgeted street and highway construction will likely be reduced traffic volumes and improved levels of service on local streets. Transit ridership is virtually static, thereby accounting for a smaller percentage of commute trips.

- SANITARY SEWER level of service "D" will be achieved in 1988 with completion of the Alum Rock Sanitary Sewer Interceptor project.

- SEWAGE TREATMENT capacity is available for new development through at least 2003. Planning and engineering for new capacity will start by about 1994.

- AIR TRANSPORTATION: Passenger volumes at the San Jose International Airport have increased 97% since 1980, leading to the construction of a second passenger terminal, while noise impacts have been decreasing through the implementation of the Noise Control Plan (including 90% completion of the South Approach Zone Acquisition Program).

URBAN RESERVE "TRIGGER" MECHANISMS

With the exception of Campus Industrial development in the North Coyote Valley, the "trigger" mechanisms for residential development in the Coyote Valley and South Almaden Valley Urban Reserves will be largely met by the mid-1990's. The estimated dates for each of the other four triggers are:

- 37,800 new dwelling units Citywide by 1990.

- 89,000 new jobs Citywide by 1992.

- Funding for construction of Route 85 by 1990.

- Widening of Highway 101 from San Jose Airport to Bernal Road by 1995. However, widening of the link between Bernal Road and Bailey Avenue is not yet scheduled.

Development has not begun in the North Coyote Campus Industrial area, so it is not yet possible to project when 35% (South Almaden trigger) and 50% (Coyote trigger) of the area will be developed.

DOWNTOWN REVITALIZATION

- Major public facilities funded or supported by public monies are under construction and/or nearing completion, including: Convention Center, Guadalupe River bypass channel, Downtown Transit Mall, Fairmont Hotel, San Jose Museum of Art expansion, Route 87 Downtown Bypass Freeway. Additionally, land acquisition for the Children's Discovery Museum and the Technology Center has been completed.

- Office development is proceeding at a much faster rate than anticipated. The 4.5 million square feet in new projects projected for the 1983-1995 period could be completed prior to 1990.

- New housing is being built in the Downtown and surrounding neighborhoods. Three projects have been completed recently, one is partially complete and two others are under construction, for a total of 530 dwelling units.

GREENLINE

A City Council-appointed Task Force has completed a Phase I study of ways and means to preserve an open space greenbelt in the foothills, Coyote Valley and Baylands around San Jose. The recommended program involves public acquisition of open space lands, obtaining open preservation in exchange for clustered development and transfer of development credits, and formation of a private, non-profit land trust. The City and County are jointly pursuing detailed studies of how best to implement these program elements.

CONCLUSIONS

Incremental growth and development experienced since 1980 are consistent with the long-term projections made in 1983 and 1984. Progress toward improving San Jose's jobs/housing imbalance is modest but positive. Advances toward achieving service level goals has been satisfactory. Campus Industrial development in North Coyote Valley is not proceeding at the rate assumed in the General Plan, though this is due to unforeseen economic conditions which should improve. In sum, the development assumptions and basic policy framework of the Horizon 2000 General Plan are sound and should be re-affirmed. The next major review and assessment of this type should coincide with an update of the General Plan and extended population and economic projections based on the 1990 Census results, which will be available in 1992 or 1993.

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Introduction

Since 1980, San Jose has experienced significant growth and change, including industrial, commercial and residential construction, transportation systems and infrastructure improvements, and new and expanded public facilities. This activity is guided by the City's Horizon 2000 General Plan.

The Plan, adopted by the City Council in 1984, is a blueprint for the physical development of the City of San Jose for the years 1980 to 2000. It represents the official policy regarding the amount, type, and timing of development needed to achieve the City's social, economic, and environmental goals.

The Plan functions primarily to guide land use decisions and regulatory actions. Five major strategies, or central themes, provide the direction for the goals, policies and implementation mechanisms in the Plan. The strategies are:

- Growth Management
- Economic Development
- Downtown Revitalization
- Urban Conservation/Preservation
- Greenline

There is no hierarchy of importance intended by the order in which they are listed.

As part of the 1987 Annual Review, the General Plan directed a comprehensive assessment of development trends, infrastructure capacities, and service levels to determine the City's progress toward achieving the economic, housing, and level of service goals of the General Plan. This assessment, entitled the 1987 Special Review, evaluates San Jose's land use and development activities from 1980 to 1986. These development activities are analyzed to ascertain whether the City's actual growth is following the projections upon which the General Plan is based. In this way, the Plan's assumptions can be assessed as to their validity. If key assumptions are no longer valid, a re-evaluation of the General Plan strategies and policies may be in order.

The development and infrastructure analysis is also useful to forecast when the Urban Service Area will be expanded to include the South Almaden Valley and Coyote Valley Urban Reserves. Certain prerequisite criteria, which are based on development activity, must be satisfied before development can occur in either reserve.

This 1987 Special Review report is organized into five chapters, one for each major strategy. Each chapter reviews the strategy's goals, assumptions, and implementation to assess the City's progress toward meeting the goals. The topics discussed in each chapter, as listed in the table of contents, are interrelated and not readily separated. The majority of the development statistics are in the Growth Management and Economic Development chapters.

Growth Management Strategy

Population Growth
Residential Holding Capacity
Housing Construction Trends
Housing Assistance Programs
Municipal Services
Infrastructure Levels of Service
Urban Reserve "Trigger" Mechanisms

As San Jose continues to develop, the City needs to manage growth to ensure that adequate municipal services and facilities are available to residents and businesses. The Growth Management Strategy of the General Plan seeks to balance the need to house new population with the imperative to improve municipal service levels by increasing the revenues which pay for the services. Growth management can be described as the prudent location and timing of new development to maximize the efficient use of urban facilities and services.

The need to provide housing is created by the Economic Development Strategy and the normal increase of population in San Jose. Industrial and commercial development require an expanding labor force to fill the jobs being created. To attract economic development, new housing must be provided. There is a delicate balance between these land uses; insufficient housing could retard economic development, while an insufficient non-residential tax base can strain the City's capacity to deliver services.

This chapter assesses the City's progress in growth management. Because this strategy is directed at residential growth, this chapter also addresses housing and population issues. Specifically, the assessment includes:

- Population growth.
- Residential holding capacity.
- Housing construction trends.
- Municipal services and infrastructure levels of service.
- A forecast of when the Urban Reserve "trigger" criteria will be satisfied.

Population Growth

In 1980, the San Jose Sphere of Influence had a population of 691,000. The Horizon 2000 General Plan projects a 20-year growth of 145,000 persons by the year 2000, for a total population in that year of 836,000 (see Table 1). This was a "constrained" growth projection since the amount of housing provided for

in the General Plan was less than would be needed by the theoretical, unconstrained population growth that might otherwise occur.

The Association of Bay Area Governments (ABAG) has recently revised upwards its year 2000 population projections for San Jose. In 1985, ABAG's Projections '85 forecast a population of 837,100 for San Jose, relatively consistent with the Horizon 2000 projection. Projections '87 now forecasts a year 2000 population of 850,400 persons, with a corresponding increase in the number of households. This change reflects two revisions in ABAG's methodology from 1985. First, Projections '85 was strongly influenced by local general plans and could thereby reasonably be expected to reflect the Horizon 2000 projections. Projections '87 has discarded this local policy orientation and has become much more an expression of unconstrained demand. Secondly, the factor driving up the demand for housing in the year 2000 is a lower projection of employed residents per household, the key factor which links population and housing growth to economic and employment growth (see the Jobs and Housing section in the Economic Development chapter for a complete discussion of this issue).

Table 1 also shows an estimate of the 1987 population in the Sphere of Influence. This number is based on the State Department of Finance's (DOF) population figure for the incorporated City (719,466 persons) plus an estimate for the unincorporated County population within the Sphere. The unincorporated population estimate is based on the twin assumptions that the 1980 unincorporated population, which has not been subsequently annexed under the MORGA program, has remained unchanged at 43,689 persons and that half of the new housing built throughout the County since 1980 (or 650 units) was in the San Jose Sphere, accounting for an additional 1,786 persons.

Table 1

Population of the San Jose Sphere of Influence
(1987 Estimate and Year 2000 Projections)

		Year 2000 Projections		
	1987 Estimate[1]	Horizon 2000 General Plan[2]	ABAG Proj. 85[3]	ABAG Proj. 87[3]
Total Population[4]	764,950	836,000	837,100	850,400
Persons per Household	2.94	2.70	2.70	2.71
Households	257,835	304,050	305,210	309,000

SOURCES:
1. See text
2. City of San Jose Planning Department
3. Association of Bay Area Governments
4. Includes group quarters (i.e. non-household) population

The 1987 population estimate accounts for about 51% of the 1980-2000 population growth of 145,000 persons projected in the General Plan. The reason for this seemingly dramatic early achievement of half of the 20-year growth is due to unexpected trends in household size. Horizon 2000 projected a decline from 2.937 persons per household (PPH) in 1980 to 2.70 PPH in 2000. However, instead of the PPH rate continuing to gradually decline after 1980, it actually went up. DOF's annual estimates reached a high of 3.008 PPH in 1985 for the incorporated city. Coupled with anticipated housing construction trends, these high PPH rates have led to faster than expected population growth. DOF population estimates for 1987 showed a sharp drop in household size from 1986, appearing to indicate that the long-term projection is valid.

ABAG's Projections 87 showing higher population levels in 2000 than previously anticipated are of concern since it implies that demand will also rise for municipal services. As discussed in more detail later in this chapter, San Jose has not yet achieved the level of service goals set forth in the General Plan, and with greater population, the City could fall further behind in achieving these goals.

Residential Holding Capacity

San Jose's holding capacity (i.e., the City's total housing potential) expresses the City's ability to meet its year 2000 housing goal of 308,000 total dwelling units. As of July 1, 1986, San Jose's residential vacant land could support a total of 33,776 dwelling units, of which 35% would be single family detached homes. However, vacant land is not the only property on which residential development can occur, and the Horizon 2000 General Plan incorporates the assumption that a sizable share of new housing would be built as a result of private redevelopment of properties already developed with outmoded uses or underdeveloped with respect to full economic return. A recent analysis of underutilized sites and outmoded uses resulted in a conservative estimate of a 20,000-dwelling unit capacity. Thus, the City has the capacity for about 54,000 new dwelling units as of 1987.

The City's holding capacity can also be assessed through monitoring amendments to the Horizon 2000 General Plan. Since its adoption in 1984, 92 residential amendments have produced a net gain of 3,627 dwelling units above the units originally planned in Horizon 2000. All or a major part of the increase can be attributed to one amendment on the Dole Cannery property that could result in the development of 4,121 units at an assumed density of 90 dwelling units per acre. Without this one amendment, there would have been a net loss of 494 dwelling units of holding capacity due to General Plan amendments.

In the 1987 Annual Review of the General Plan, six amendment proposals in the North San Jose and Berryessa areas would add a total of about 8,000 dwelling units to the City's residential holding capacity. Some 5,780 units in three of these proposals located in the North First Street corridor have been initiated by the City Council to implement the Golden Triangle Task Force objective of achieving a better balance between jobs and housing within the six-city Silicon Valley area.

Figure 1

Urbanization of Vacant Residential Land



Source: Department of City Planning, City of San Jose

Figure 2

Urban Service Area Boundary



Source: Department of City Planning, City of San Jose

San Jose's holding capacity is the sum of the total number of existing units and total number of potential units. In 1980, the Sphere of Influence had 235,300 dwelling units. From 1980 through 1986, City building permits authorized the construction of 26,594 units and an estimated 650 units have been constructed in the unincorporated portion of San Jose's Sphere of Influence (housing construction trends are detailed later in this chapter). As explained above, 53,776 units of additional capacity is presently available. All of this adds up to a holding capacity of 316,320 dwelling units. Assuming a 1.4% vacancy rate, San Jose's holding capacity is 311,900 households, more than enough to meet the Horizon 2000 and ABAG Projections '87 forecasts. In fact, due to General Plan land use amendments, the City's holding capacity has increased since the Plan's adoption in 1984.

It is important to remember that the data examined here are estimates. The results of the 1990 Census will provide a firmer basis for understanding San Jose's population and housing growth and for revising projections of future growth. Until the Census data is available and can be analyzed, the population growth assumptions of Horizon 2000 remain valid, even in light of ABAG's Projections 87.

Housing Construction Trends

Housing construction activity can be discussed from several perspectives, including vacant land absorption, development permit trends, and building permit issuance.

From 1980 through 1986, 2,885 vacant acres urbanized to residential uses. This represents 43% of vacant land absorption across all land uses (see Table 2). Residential absorption peaked in 1976 with 1,115 acres and has decreased steadily until 1983 when absorbed acreage rebounded to 500 acres (see Figure 1). The current supply of residential vacant land is roughly equivalent to that of commercial and industrial lands (6,947 acres and 6,406 acres, respectively, as shown in Table 3). This balance indicates that the City has opportunities for both residential and non-residential development.

Since 1983, the Urban Service Area has expanded by 2,000 acres to a total of roughly 89,000 acres (see Figure 2). The majority of the expansion occurred in 1983 with the inclusion of approximately 2,000 acres in North Coyote. The previous major expansion occurred in 1981 to implement the Silver Creek Planned Residential Community. Approximately 72,000 acres of the 89,000-acre Urban Service Area have urbanized. The remaining 17,000 acres are currently vacant. Clearly, the supply is decreasing with time, but considerable opportunities remain in both the residential and non-residential sectors.

Residential development can be assessed through discretionary planning and building permits. Discretionary planning permits include zonings, Planned Development Permits, and Site Development Permits. Building permits are ministerial permits, issued after the approval of the necessary planning permits. Residential planning permits do not have a symmetrical relationship with building permits (see Figure 3). From 1980 to 1982, and in 1984,

Table 2

URBANIZED VACANT LAND

SAN JOSE URBAN SERVICE AREA

1980 through 1986

Planning Area	Residential	Commercial	Industrial	Streets	Urban Open Space	Other Urban	Total Acres
Almaden	456.37	6.66	32.02	54.17	610.48	1.84	1161.54
Alum Rock	437.08	18.93	85.24	65.17	32.36	16.93	655.71
Alviso	1.90	0.00	49.03	1.46	0.00	0.00	52.39
Berryessa	193.68	19.28	393.76	24.83	53.06	0.00	684.61
Cambrian	77.24	30.11	29.99	5.85	7.03	13.36	163.58
Central	66.61	30.85	38.77	0.48	0.00	12.52	149.23
Edenvale	485.81	38.06	242.03	94.96	7.45	16.98	885.29
Evergreen	844.39	48.66	1.20	181.08	223.90	13.28	1312.51
No. San Jose	25.90	109.86	820.88	48.44	0.00	18.87	1023.95
So. San Jose	120.55	7.12	139.73	9.83	16.48	27.16	320.87
West Valley	62.29	39.64	4.20	7.59	1.42	0.00	115.14
Willow Glen	110.96	25.30	6.99	6.02	10.19	1.67	161.13
TOTAL	2882.78	374.47	1843.84	499.88	962.37	122.61	6685.95

Source: Department of City Planning, City of San Jose

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TABLE 3

VACANT LAND BY GENERAL PLAN DESIGNATION

As of July 1, 1986

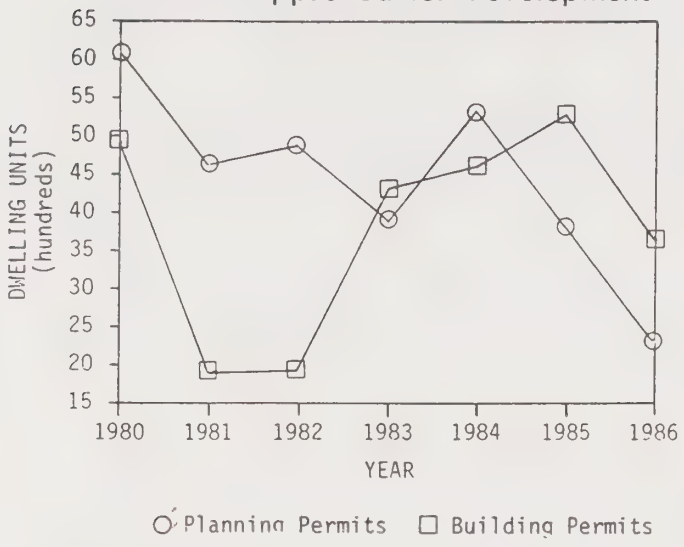
Planning Area	Non Urban	Single Family	Multiple Family	Commercial	Industrial	Public Quasi-Public	Public Park & Open Space	Other	Total
Almaden	199.53	606.53	26.50	13.45	19.05	0.00	149.85	48.38	1063.30
Alum Rock	0.00	352.70	127.64	45.19	117.68	30.16	121.67	15.53	810.57
Alviso	0.00	12.52	0.00	53.85	644.23	434.59	0.00	65.87	1211.06
Berryessa	111.99	443.26	261.26	11.90	533.03	14.08	75.84	0.00	1451.37
Cambrian	0.00	23.92	97.81	17.38	25.03	1.95	0.00	0.00	166.09
Central	0.00	33.36	53.35	17.64	99.36	02.39	79.27	10.51	295.88
Coyote	0.00	0.00	0.00	0.00	1499.33	0.00	0.00	0.00	1499.33
Edenvale	775.84	353.48	385.11	46.51	1112.83	20.13	448.50	0.00	3142.39
Evergreen	383.36	3653.95	122.19	73.31	425.15	150.01	195.09	5.48	5008.54
North San Jose	0.00	0.00	0.00	29.38	1100.59	88.87	21.61	0.00	1240.45
South San Jose	82.01	86.54	227.98	51.25	423.68	38.35	136.04	0.00	1045.83
West Valley	0.00	4.38	41.05	25.25	0.00	0.00	7.76	0.00	78.44
Willow Glen	0.00	16.38	17.36	21.26	0.00	13.98	0.13	0.00	69.10
TOTAL	1552.73	5587.03	1360.25	406.35	5999.97	794.50	1235.75	145.78	17082.36

Source: Department of City Planning, City of San Jose

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Figure 3

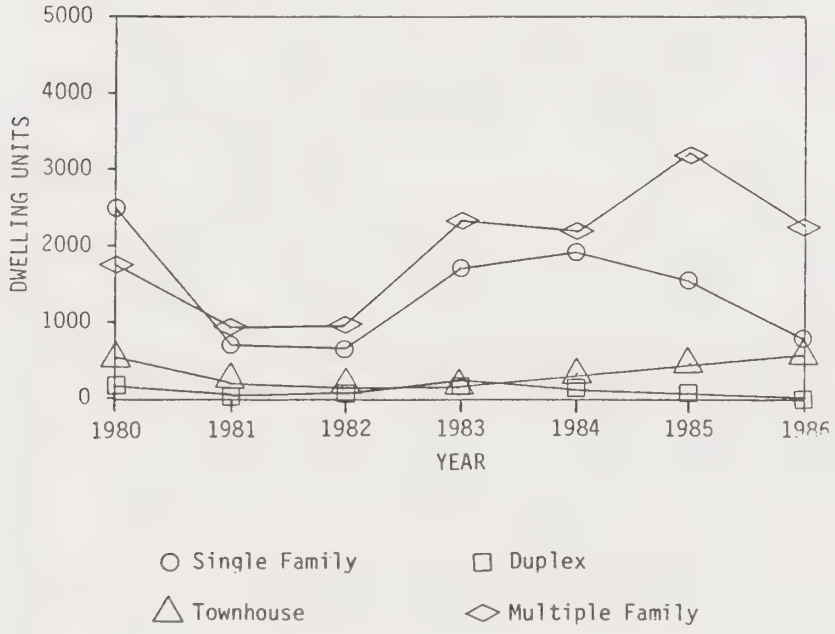
Residential Planning and Building Permits Approved for Development



Source: Department of Neighborhood Preservation
Department of City Planning, City of San Jose

Figure 4

Types of New Dwelling Units 1980-1986



Source: Department of Neighborhood Preservation, City of San Jose

planning permits greatly surpassed building permits. The reverse was true in 1983 with building permits exceeding planning permits by 500 dwelling units.

In 1985 and 1986, nearly 3,000 more dwelling units were issued building permits than planning permits. This suggests that developers wait until the market is favorable before building, even if the planning permits have been approved. The reversal in 1985 and 1986 suggest that the development community did not pursue planning permits due to uncertainty regarding the federal tax reform bill. Over the seven year period, eighty-six percent of the residential projects with planning permits have building permits. These data substantiate an observation that developers build particular products and that planning permits are only applied for if the developers actually intend to build. In other words, planning permits for speculative residential projects are probably worthless because they are not readily transferable.

From 1980 to 1986, the City of San Jose issued building permits for the construction of 26,594 dwelling units. By July 1987, 2,371 dwelling units had building permits in the year to date whereas by July 1986 only 1,686 dwelling units had been approved. This indicates that housing production is on the rise, if only in the short term. Housing production averaged 3,860 units per year since 1980, which is slightly over the target in the General Plan of 3,655 units annually. Therefore, the City should easily meet its housing goal of 308,360 dwelling units.

Figure 4 shows the construction of different housing types from 1980 to 1986. In 1980, single-family construction made up a little over 50% of the total residential construction. Since then, however, multiple-family construction activity exceeded single-family development by a ratio of 1.6 to 1. The Horizon 2000 General Plan projects that from 1980 to the year 2000 multiple-family dwelling unit construction will exceed single-family development by 2 to 1. If current trends continue, the 2:1 forecast should be satisfied by 2000.

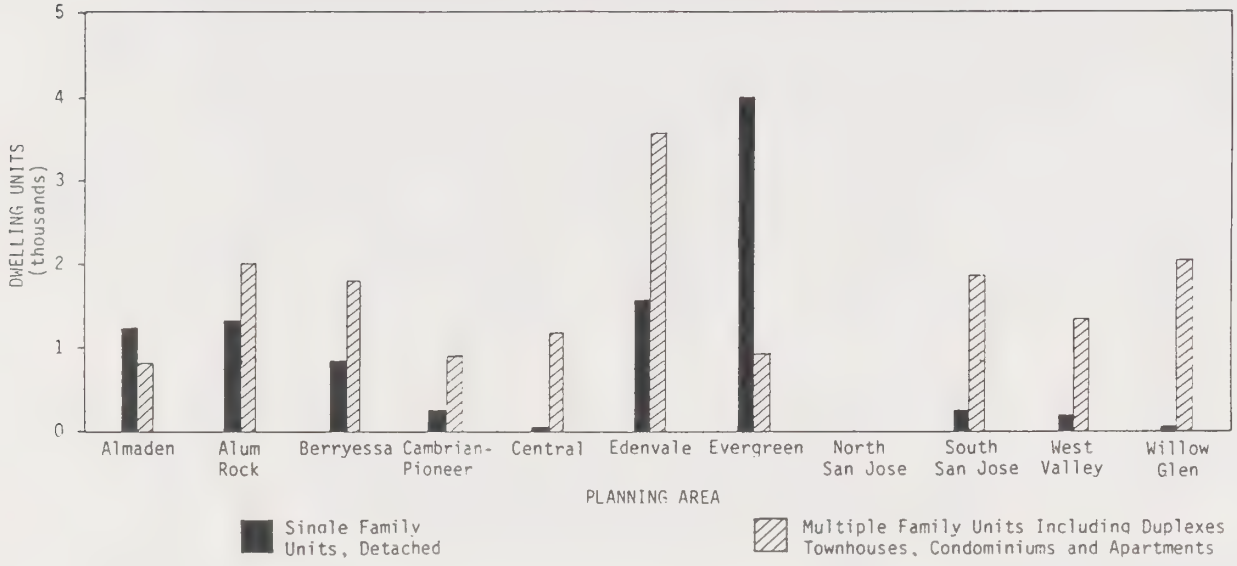
Table 4 summarizes project density ranges and housing types by General Plan residential designation. From this table, it is clear that actual housing projects do not always strictly conform to the densities of the respective residential designations. This is because residential parcels smaller than two acres may be developed at the next higher or lower density range under the Plan's Discretionary Alternate Use Policies.

Single-family housing units dominate all General Plan residential designations. The full range of housing types, from single-family detached to apartments and condominiums, is found in the Medium High Residential density designation (8-16 dwelling units per acre). A variety of housing types conform to the General Plan residential designations, demonstrating that the Plan provides sufficient flexibility for residential opportunities.

The geographic distribution of the 1980 to 1986 residential construction is displayed in Figure 5. Evergreen had the greatest single-family construction, while Edenvale had the greatest multiple-family construction during this period. Single-family construction in this figure includes only detached, single-family residences. Multiple-family construction encompasses

Figure 5

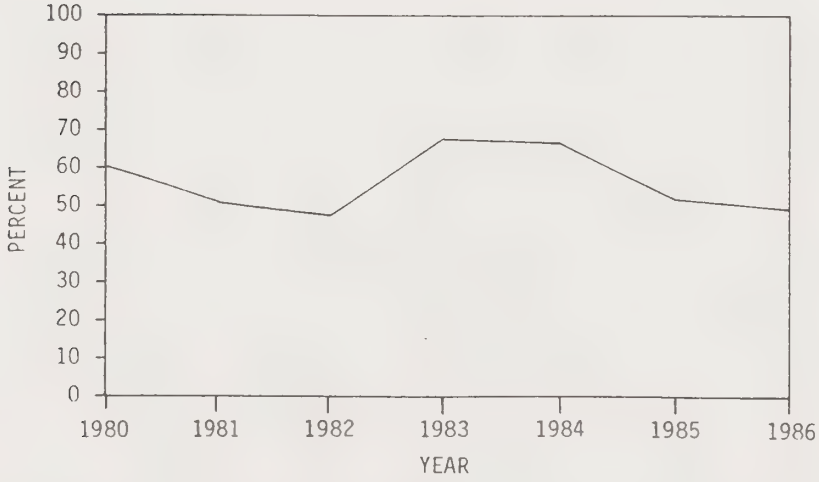
Distribution of New Dwelling Units by Statistical Planning Area, 1980–1986



Source: Department of Neighborhood Preservation, City of San Jose

Figure 6

New Dwelling Units, San Jose Share of Santa Clara County, 1980–1986



Source: Security Pacific Bank

Table 4
General Plan Residential Land Use Designations and Actual Housing Project Densities

General Plan Residential Designations	Actual Project Density Ranges (DU/AC)		Housing Types in Order of Dominance
Low Density (2.0 DU/AC)	0.69	3.07	SFD-SFA
Medium Low Density (5.0 DU/AC)	3.33	4.85	SFD
Medium Density (8.0 DU/AC)	4.27	15.22	SFD-SFA
Medium High Density (8-16 DU/AC)	7.06	23.36	SFA-MF-SFD
High Density (12-25 DU/AC)	11.69	36.36	SFA-MF
Very High Density (25-40 DU/AC)	25.54	44.87	SFA-MF

SFD = Detached Single-Family Units
SFA = Attached Single-Family Units (e.g., townhouses)
MF = Multiple-Family Units (e.g., apartments, condominiums)

SOURCE: City of San Jose Planning Department

single-family attached dwellings (townhouses) as well as duplexes, apartments, and condominiums.

Infill housing development contributes to the Growth Management Strategy by developing properties which are in areas already receiving municipal services. Although it is difficult to determine the precise amount of infill development. A longstanding proxy for infill development is the measure of activity occurring in areas which were considered largely built out in the mid-1970's. These areas are the Alum Rock, Cambrian-Pioneer, Central, South San Jose, West Valley, and Willow Glen Planning Areas. From 1980 to 1986, residential construction in these six Planning Areas ranged from 37% to 64% of the City-wide total, and averaged over 45%. Therefore, by this measure, infill development is an important contribution to San Jose's residential construction.

Additional residential development occurring in the unincorporated portion of San Jose's Sphere of Influence from 1980 through 1986 is estimated to be a maximum of 650 dwelling units. This accounts for a very small percentage of the total development. If the 650 units are added to the construction occurring in the incorporated City, then the San Jose Sphere of Influence has accommodated about 27,000 new dwelling units since 1980.

Historically, the majority of the housing units in the County have been built in San Jose. In 1986, San Jose fell below 50% of the County's share of residential construction after providing over 65% of the County's residential

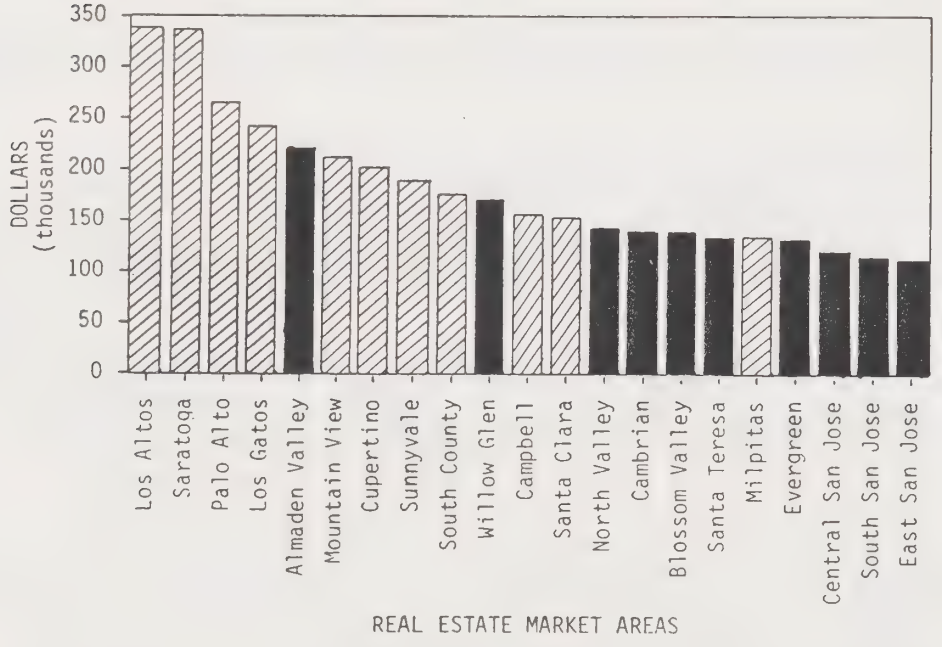
development in 1983 and 1984 (see Figure 6). This is important because it may indicate that San Jose is moving toward a balance between growth of jobs and housing. This balance is critical if San Jose is to provide improved levels of municipal services, the objective of the Growth Management Strategy.

However, ABAG's Projections 87 predicts that the majority of the County's housing will continue to be produced in San Jose. From 1980 to the year 2000, ABAG estimates that San Jose will experience 70% of the County's new housing demand and obtain less than 50% of the County's new jobs. General Plan policies are designed to discourage this direction due to the existing imbalance between housing and jobs.

Market rate sales prices for both new and resale homes indicate that San Jose remains the provider of lower cost housing in Santa Clara County. Within San Jose, homes vary in price from $72,000 for new condominiums in Willow Glen to $290,000 for new townhouses in Almaden. A recent survey of new home prices for multiple-unit projects (as opposed to individual units) in the County

Figure 7

Median Residential Resale Prices for Santa Clara County



Source: San Jose Real Estate Board

reveals that Milpitas has the highest price at $390,000 for detached single-family units. The median resale home price within San Jose varies from $115,000 in East San Jose to $218,000 in Almaden Valley. County-wide, Los Altos has the highest median resale home price at close to $350,000 (see Figure 7).

Housing vacancy rates in San Jose have fluctuated around the 1.4% level. However, in 1986, they rose to 2.2%. Several factors may have influenced this change. Increased production of rental units and lower interest rates could have induced renters to buy their first homes. Also, housing production has continued while job growth has slowed down substantially, so relative overall demand is somewhat weakened.

In summary, housing construction demonstrates that San Jose remains a major provider of County housing, especially lower cost housing. Recent trends indicate a change, as evidenced by less than 50% of the total County's housing being built in San Jose in 1986. In terms of the Growth Management Strategy, San Jose is seeking the delicate balance between the need to house its new population and the need to provide increased levels of municipal services. By continuing to accommodate an important share of County housing while increasing economic activity, San Jose demonstrates its commitment to this balance. Another significant implementation mechanism of the Growth Management Strategy is to encourage infill residential development. Since 1980, infill development has averaged over 45% of the total residential development.

Housing Assistance Programs

Although San Jose provides the majority of the County's lower cost housing, overall housing costs remain high. Several housing assistance programs are administered by the City to improve the housing opportunities for low and moderate income households. These programs fund the rehabilitation of substandard units, construction of new units, and home improvements. Funding sources include Federal Community Development Block Grants, the City's 20% Redevelopment Housing Fund, Tax Exempt Multiple-Family Housing Bonds, and Single-Family Tax Exempt Mortgage Revenue Bonds.

The City's progress towards its General Plan housing assistance program goals is summarized in Table 5. The City has significantly exceeded both its rehabilitation and home improvement goals. Low income rehabilitations from fiscal year 1984/85 to 1986/87 are twice the goal of 609 units. Home improvements were almost 120% of the 616-unit goal.

In terms of new construction, the City only reached 24% of its 4,533 unit goal, of which only 20% were low income units. The goal for new low income units is 1,567 units or 35% of the total new units funded through housing assistance programs.

Table 5
HOUSING ASSISTANCE PROGRAMS
Fiscal Years 1984/85 thru 1986/87
(Dwelling Units)

Fiscal Year	Rehabilitation of Substandard Units (Low Income)	Rehabilitation of Substandard Units (Total)	New Construction (Low Income)	New Construction (Total)	Home Improvements (Low Income)	Home Improvements (Total)
1984/85	399	399	78	274	182	182
1985/86	440	645	174	584	262	262
1986/87	384	410	148	238	289	289
Total	1223	1454	400	1096	733	733
Goals*	609	849	1567	4533	616	616

* The goals are based on the annual goals for housing assistance programs. Annual goals for 1984-85 and 1985-86 are based on the five-year goals established in the 1984 update of the General Plan housing element (and adopted in its entirety in Horizon 2000). The 1986-87 goal is based on the three-year housing assistance goals amended into the General Plan in the 1986 Annual Review.

SOURCE: City Manager's Office, City of San Jose

Municipal Services

The Growth Management Strategy includes specific goals for municipal services. These General Plan goals ensure that San Jose's residents receive high quality police, fire, parks and recreation, and library services.

Police -- Response time, as opposed to a per capita measure of officers, is a direct indicator of service provided. A variety of factors affect response times and the delivery of Police services, such as efficient communication equipment, distances to and from destinations, number of sworn personnel, and maintenance of police vehicles. These, and other similar factors, contribute to the City's ability to meet the General Plan police service goal of a seven-minute average response time for specified crimes.

As indicated in Table 6, annual average Police response times have improved since 1985. While the improvement represents 65% of the year 2000 goal, the 1982-through-1986 time period may be too short to project a trend to the year 2000. The Police Department attributes the recent improvement in response time in part to the addition of police officers. Specifically, from 1984 to 1987, the City increased sworn personnel from 919 (or 1.34 per thousand population) to 1,008 (or 1.4 per thousand population). It is possible that the City may be able to meet the Police level of service goal prior to the year 2000, provided that the factors affecting response times continue to improve.

Table 6
Progress Toward Police Service Goal

	1985	1986	1987	2000 (goal)
Average Response Time*	8.2	7.81	7.41	7.00

*In minutes for robbery, rape, aggravated assault and burglary. Response time is measured from the logging of the call to actual police arrival on the scene.

SOURCE: City of San Jose Police Department

Fire -- As in the case of Police services, Fire response time is the critical factor in assessing service delivery. A summary of progress toward the four-minute Fire service goal is displayed in Table 7. During the five year period from 1982 through 1986, the average response time of 3.7 minutes for all types of emergency calls (such as medical, fire, and hazardous material contamination) is better than the year 2000 service goal of four minutes. Average response time for only fire incident calls, however, is 4.3 minutes, slightly higher than the year 2000 service goal.

North San Jose is the most significant developed area in San Jose's Urban

Table 7
Progress Toward Fire Service Goal

	1982	1983	1984	1985	1986	2000 (goal)
Average Response Time*						
All Service Calls	3.7	3.7	3.7	3.7	3.6	4.0
Fire Incident Calls	4.2	4.5	4.3	4.4	4.1	4.0

*Response time is measured from the departure of emergency vehicles from the station to vehicle arrival on the scene.

SOURCE: City of San Jose Fire Department

Service Area which does not average a four-minute response time for Fire services. In addition, response times for future development in the Coyote Valley are anticipated to exceed the year 2000 goal. The Fire Department estimates that additional fire stations, planned for construction in North San Jose in 1990 and in the Coyote Valley in 1995, will reduce response times in these areas so that the four-minute goal can be met by the year 2000.

Parks and Recreation -- The service goal for Parks and Recreation includes four elements, all of which must be met to achieve the year 2000 goal. As indicated in Table 8, current neighborhood-serving recreational land acreage (defined as school playgrounds plus neighborhood, district and locally serving regional parks) is below the year 2000 goal.

Table 8
Progress Toward Parks and Recreation Service Goal

	1981*	1985**	2000 (goal)
Total Recreational Land Acres per 1000 Population	***	3.37	3.5
Local Developed & Undeveloped Park Acres per 1000 Population	1.44	1.47	1.5
Local Developed Park Acres per 1000 Population	0.87	1.12	1.5
Average Square Feet of City-Owned Community Center**** per Community Service Area	16,000	19,400	30,000

* SOURCE: "Parks & Recreation for the 80's", September 1981.
** SOURCE: "San Jose Parks & Recreation Department, Recommended Program Service Levels & Facility Standards", May 1986.
*** Information not available.
****Includes all types of City-owned centers serving the community.

NOTE: All population-based measures are calculated using the State DOF estimates for the incorporated City of San Jose.

Information regarding recreational land acres is not available for prior years, and hence, progress toward the 3.5 acres per 1000 population cannot be documented. The data which are available indicate that recreational land acres by the year 2000 may decline. This is based on the Department of Parks and Recreation's assumptions that:

- Available school acres may decrease slightly from present levels.
- Local park acres may not increase at a rate proportional to the projected City population increase.

If these assumptions are correct, total recreational lands will not likely achieve the year 2000 Parks and Recreation service goal of 3.5 acres per 1000 population.

San Jose is very close to achieving the General Plan service level goal for local park acres per 1000 population. Local park acres increased slightly between 1981 and 1985, signifying that the acquisition of parklands has more than kept pace with the City's population growth. But, as indicated in the table above, the greatest deficiency is the development of City-owned local park acres. Only about 75% of these parklands were developed as of 1985.

To meet the General Plan service level goal for local park acres, it will be necessary for the City to acquire approximately 225 acres between now and the year 2000. Even though the General Plan goal does not differentiate between developed and undeveloped acres, an undeveloped park site does not provide the same service level for City residents as a developed park. An estimated 465 acres will need development before the year 2000.

Community center floor area increased between 1981 and 1985, primarily due to the addition of the Kirk, Hogue and Millbrook facilities. Even if community center floor area continues to increase at this rate of 680 square feet per year to the year 2000, the goal of 30,000 square feet is not likely to be achieved. The potential for meeting this goal is frustrated by the wide disparity of existing community center floor area between community service areas. Even though the City has a total of a little over 214,000 square feet of community centers, some areas have more than 30,000 square feet (Willow Glen and Downtown) and some areas have less than 5,000 square feet (Berryessa and Almaden). Since each area must have at least 30,000 square feet, about 106,000 square feet will be needed by the year 2000 to meet the service level goal.

As part of the 1987 General Plan Annual Review, the Department of Parks and Recreation is proposing to increase the community center service level goal from 30,000 square feet of community center floor area per community service area to 500 square feet per 1000 population. The 1985 City-wide deficit of 106,000 square feet of community center floor area (based on the existing standard) would increase to a deficit of over 200,000 square feet as a result of the proposed amendment. A deficit of this magnitude will make it even more difficult for the City to meet the proposed increased service level goal for Parks and Recreation.

Library -- As in the case of the Parks and Recreation goal, the Library service goal includes distinct elements, all of which must be met to achieve the year 2000 goal. As indicated in Table 9, current Library service levels meet none of the three elements. The Library Department reports that weekly service hours per 10,000 population have increased from 10.3 in 1983 to 14.2 in 1986, or almost 50% of the year 2000 goal. During that same period, library space per 50,000 population increased to approximately 40% of the year 2000 goal, due to the construction of the Santa Teresa Branch and the 3,000 square foot addition to the Cambrian Branch.

Table 9
Progress Toward Library Service Goal

	1984	1986	2000 (goal)
Branch Library Square Feet per 50,000 Population	8,245	8,950	10,000
Weekly Service Hours per 10,000 Population	10.3*	14.2	18.3
Books per Capita	1.82	1.75	2.82

* 1983 data.

SOURCE: City of San Jose Library Department

As in the case of community centers, the square footage disparity between the individual library branches affects the City's ability to satisfy the space per population criteria for every area of the City. Currently, branches having the greatest need for additional space are Cambrian, Pearl Avenue and West Valley. Meeting the service level goal may be further frustrated by the addition of about 43,000 County residents who are assumed to be annexed to the City by the year 2000. Service to this additional population may be offset, in part, from the existing County Library in the Alum Rock area provided that this facility continues operations to the year 2000.

In terms of bookstock per capita, service levels have deteriorated from 1.82 in 1984 to 1.75 in 1986 and are expected to decrease further to 1.63 by the end of 1988. The projected decline is based on the assumptions that:

- Population growth will continue at a faster rate than book purchases.
- Funding for book acquisition will be diverted to the modernization of circulation and catalog systems.

To meet the bookstock per capita goal, an average of 80,000 new books needs to be purchased annually. If a 5% loss/replacement factor is added for the existing bookstock, the average annual purchase increases to 168,000 volumes to meet the year 2000 goal. In conjunction with the acquisition of additional bookstock, branch space would need to increase an average of 2,850 square feet per year, both to accommodate the new bookstock as well as to meet the Horizon

2000 General Plan goal for branch library space.

As in the case of the Parks and Recreation goal, the Library Department has proposed an increase in its service level goal through an amendment to be considered in the 1987 General Plan Annual Review. Specifically, the proposal requests an increase in the library space goal from 10,000 square feet per 50,000 population to 10,000 square feet per 36,000 population. The proposal closely reflects current standards enjoyed by other Bay Area cities and will help San Jose achieve first class library distinction. However, based on the Library Department's projected deficit for meeting the current goal, raising the goal will serve to increase the City's difficulty in meeting Library service goals by the year 2000.

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Overall, San Jose is providing adequate levels of municipal services to its residents. Present indications are that the City will probably meet the Police, Fire, and part of the Parks and Recreation service goals by the year 2000. The Library goal appears to be unattainable by the year 2000, primarily because population growth exceeds the expansion of libraries, the acquisition of books, and the extension of service hours. The City continues to examine service delivery and identify the most efficient means to improve services and achieve the goals. Recently completed studies are the Analysis of Police Substation Feasibility, the Library Branch Needs Analysis, and the Parks Planning Study.

Infrastructure Levels of Service

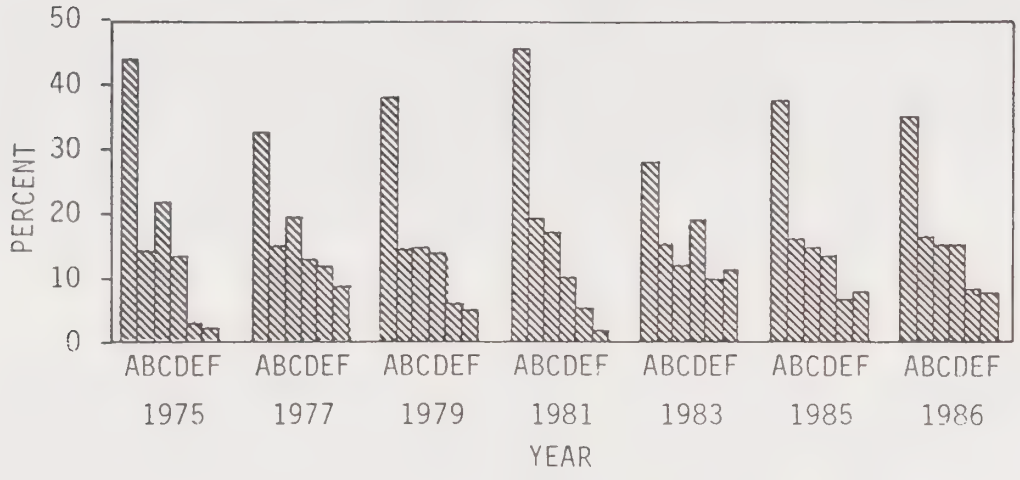
The Horizon 2000 General Plan identifies level-of-service policies for transportation, sanitary sewers, and sewage treatment based on the capacity of the existing systems. Each of these systems is assessed below in terms of their existing and projected service levels through the year 2000.

Transportation System - The transportation level-of-service policy of the General Plan states that the City's street system should be at level-of-service "D". Level-of-service "D" represents conditions that approach unstable traffic flow, with tolerable driving speeds generally maintained though altered by changing driving conditions which may cause substantial drops in driving speeds. If new development has the potential of reducing the level-of-service to "E" or worse, then the project must provide mitigating measures. Level-of-service "E" represents lower driving speeds than level-of-service "D", with volumes at or near the highway's capacity.

Figure 8 indicates the percentages of intersections attaining levels-of-service "A" through "F" from 1975 to 1986. As indicated by this graph, intersections in service level "A" have increased by approximately 8% to 35-37% from 1984, with levels "B" and "C" remaining about the same at 15%. Levels "E" and "F" have decreased from the 1984 figures. In 1985 and 1986, 16-17% of the signalized intersections within San Jose were operating at level-of-service "E" or worse, whereas in 1984 over 20% were operating at

Figure 8

Intersection Levels of Service 1975-1986



Source: Department of Public Works, City of San Jose

level-of-service "E" or "F".

The graph shows continual fluctuations within each service level throughout the past eleven year period without any discernible long-term pattern. These fluctuations can be attributed to periods of growth countered by capital improvements to the transportation system. Employment and/or housing growth increases traffic impacts on a constant street network thereby reducing the overall levels of service. Conversely, capital improvement to the transportation system increase capacity and improve levels of service.

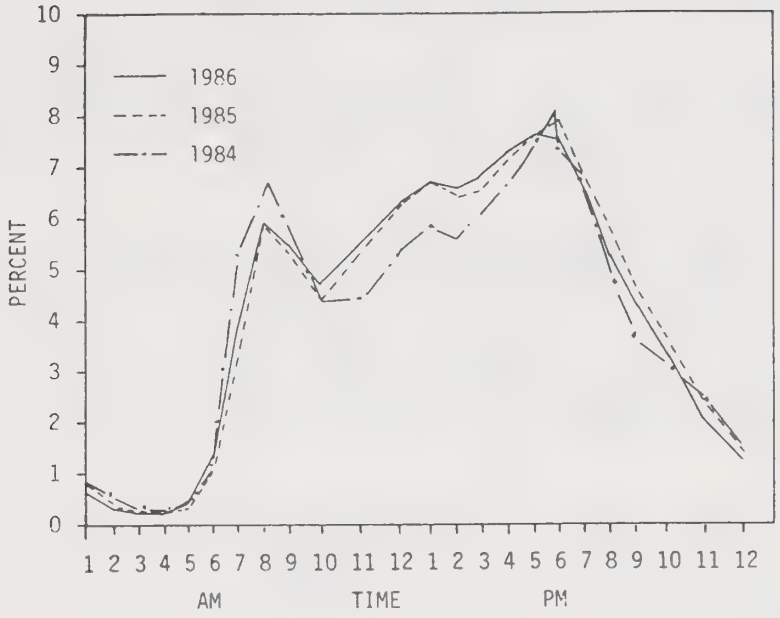
It should also be noted that not all signalized intersections are monitored annually. The data for signalized intersections is updated only when a project requires a traffic report; therefore, year-to-year comparisons may not accurately reflect long-term trends.

As indicated in Figure 9, peak hour traffic volumes from 1984 through 1986 have remained relatively constant. However, the traditional time for the peak "hour" commute has lengthened to accommodate the overall increase in daily traffic volume.

Level-of-service on local streets is expected to improve with the completion of several major transportation projects funded by "Measure A" half cent sales tax monies. Specifically, the construction of Route 85 and the expansion of Highway 101 will attract through trips away from surface streets. Route 85 construction and the widening of Highway 101 between the San Jose International Airport and Bernal Road is expected to be complete sometime between 1993 and 1995. In addition, the completion of Route 87 by 1990

Figure 9

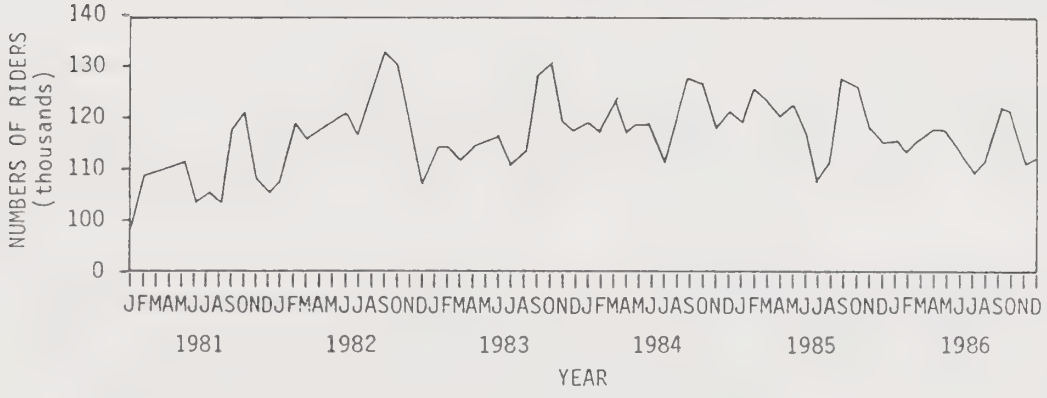
Daily Traffic Volumes



Source: Department of Public Works, City of San Jose

Figure 10

Bus Ridership Santa Clara County



Source: Transportation Agency, County of Santa Clara

through the Guadalupe Corridor project funding and Redevelopment funding should relieve traffic flows on the street network.

Presently, County Transit provides local bus service, the only form of mass transportation. As shown in Figure 10, bus ridership in 1986 is down slightly from the past few years. However, because total traffic has increased during this same period, the percentage of trips carried by County Transit has declined even more.

The Guadalupe Corridor Light Rail Transit (LRT) project will reduce automobile trips and improve transportation level-of-service. Trolley ridership is forecasted to be 3,000 to 5,000 persons in 1988 when the northern and Downtown segments are in operation. In 1990, ridership will rise to 10,000 to 12,000 daily riders when the southern segment is opened to serve those residential communities. By the year 2000, the LRT's 50 trolleys will carry 18,000 to 20,000 riders daily.

The Evergreen Development Policy is a variation on the City-wide Level of Service Policy for transportation. This policy controls housing production by the available traffic capacity in and out of the area bounded by Highway 101 to the west and Story Road to the north. Each improvement to the transportation system at "screenline" intersections allows for a certain number of dwelling units to be built. A total of 7,300 dwelling units have been "allocated" to the Evergreen Policy Area, of which 1,800 units have not been built. The results of this policy are positve. In 1987, for the first time since 1983, the weighted average of the screenline intersections was level-of-service "D" for the existing condition. Much of the improvement is attributed to a reduction in vehicle trips.

In an effort to solve regional transportation issues, the City of San Jose is participating in the Golden Triangle Task Force, Transportation 2000, and Fremont-South Bay Corridor Study.

The Golden Triangle Task Force was established in November 1985. Its members represent the Santa Clara County Manufacturing Group, Santa Clara County, and the Cities of Mountain View, Sunnyvale, Santa Clara, Palo Alto, San Jose, and Milpitas. The goal of the Task Force is to improve the balance of employment densities, housing supply, and transportation infrastructure.

Phase I ended in May 1986 and resulted in a one year development policy which limited new non-residential projects to a density of 0.35 Floor Area Ratio for all Golden Triangle cities. In the case of San Jose, only the North San Jose, Alviso and Berryessa areas are included in the Golden Triangle area. Phase II culminated in June 1987 and developed the following program:

- Limiting the average Floor Area Ratio to 0.35
- A level-of-service policy for local streets
- A housing strategy to add residential development in the largely non-residential area, thereby reducing the need to commute to and from distant housing

- o A traffic impact fee earmarked for capital improvements to the regional transportation network (expressways, freeways and State highways)

- o A Transportation Demand Management program to be instituted by ordinance to encourage alternatives to the single occupant vehicle (e.g., carpooling and transit patronage)

These policies and programs are being developed and form the foundation for the implementation phase of the Golden Triangle Task Force. Clearly, these activities bring innovative measures to improving transportation.

Transportation 2000 is a County-wide transportation system plan. A combination of highway, transit, and commuter systems improvements will be implemented in the Transportation 2000 Plan. These improvements include:

- o Completion of Routes 85, 87, and 101
- o Synchronization of traffic signals
- o Upgrade CalTrain Service
- o Completion of the Countywide 140-mile commuter lane network
- o Installation of additional park-and-ride lots and ramp meter bypass lanes

The Fremont-South Bay Corridor Study is a long term planning process which involves determining the appropriate mix of alternatives to the single occupant vehicle along the Corridor. The San Jose City Council endorses Bay Area Rapid Transit (BART) as the preferred mode in the Fremont to San Jose Corridor and Light Rail Transit (LRT) as the alternative in the Milpitas to Mountain View Corridor.

All of these efforts work together to improve San Jose and the region's transportation system. Progress towards such improvement can be evaluated through studies of evening peak hour traffic volumes. By the year 2000, the Horizon 2000 General Plan Environmental Impact Report projected that the evening peak hour traffic volume would be reduced 18%. Recent Transportation 2000 studies for North San Jose indicate that evening peak hour volume may be reduced 28% to 39% by the year 2000. If the Transportation 2000 results can be extrapolated City-wide, then San Jose will have made significant transportation improvements by the year 2000.

Sanitary Sewer System - The sanitary sewer system is designed to convey sanitary wastes from all land uses in the City to the Water Pollution Control Plant. The sanitary sewer level-of-service policy in the General Plan sets the minimum performance standard for sanitary sewer lines at level "D", defined as restricted sewage flow during peak flow conditions. Overall, development which will have the potential to reduce the downstream level-of-service to worse than "D", or development which would be served by downstream lines already operating at worse than level "D", are required by the General Plan to provide mitigation measures to improve the level-of-service to "D" or better. The level of service policy is used to ensure that development and sewer construction are coordinated to prevent sewage spills.

Currently, within certain areas of the Alum Rock-area basin, the sanitary sewer system is below level-of-service "D". With the completion of the Alum Rock Sanitary Sewer Interceptor Phase II Project in 1988, the General Plan goal of a City-wide sanitary sewer level-of-service "D" will likely be met. To maintain level-of-service "D", every new development must be assessed to ensure that future construction will not reduce the level-of-service. Several projects are scheduled in the Sanitary Sewer Capital Improvement Budget which will contribute to the maintenance of level-of-service "D" City-wide through the year 2000. If funding is available, additional construction will facilitate longer-range maintenance of the sanitary sewer system and provide increased capacity for growth beyond the year 2000.

Sewage Treatment System - The wastewater treatment process at the San Jose-Santa Clara Water Pollution Control Plant (WPCP) is designed to meet the water quality standards established by the Regional Water Control Board for discharge in the South San Francisco Bay. The WPCP is designed to treat 167 million gallons per day (MGD) of wastewater, of which San Jose's capacity is 106.28 MGD. The City's service level goal for sewage treatment is to remain within the capacity of the Water Pollution Control Plant.

The WPCP Demand Analysis, completed in the summer of 1987, projects future wastewater treatment needs. Future capacity expansion studies begin when wastewater flows reach 85% of the plant's capacity, or 142 MGD. The Demand Analysis estimates that the 85% level will be reached sometime between 1993 and 1994. The 167 MGD capacity of the Plant will be reached in 2003 at the earliest.

Since 1984, 92 residential General Plan amendments produced a net gain of 3,627 dwelling units, resulting in an overall decrease in sewage effluent of 0.8768 MGD. If a single amendment yielding 4,121 units (discussed in the holding capacity section) were deleted, the net decrease in wastewater would be 0.7419 MGD. Even with the inclusion of this amendment at an assumed density of 90 dwelling units per acre, there is an increase in wastewater savings. This occurs because the previous land use designation on the site was Heavy Industrial, which generates a much greater amount of wastewater per acre than residential uses.

Air Transportation - The San Jose International Airport provides important passenger and freight transportation, supporting commercial and recreational activities of the residents of the South Bay Area. The General Plan aviation policies promote the growth of air transportation services while minimizing impacts to the surrounding community.

From 1980 to 1986, the San Jose International Airport experienced a growth of passenger travel from 2.9 million to 5.7 million passengers per year, representing a 97% increase. In response to this passenger growth, the City is constructing a second passenger terminal of 175,000 square feet. This is the first major expansion of passenger facilities since 1972. At the same time, the area impacted by noise levels exceeding 65 CNEL has continued to decrease through the implementatiion of a Noise Control Plan, which includes not only airfield and aircraft operational mitigation measures but also continued acquisition of residences in the South Approach Zone (now 90%

complete), initiation of soundproofing programs and aviation easement dedications by property owners.

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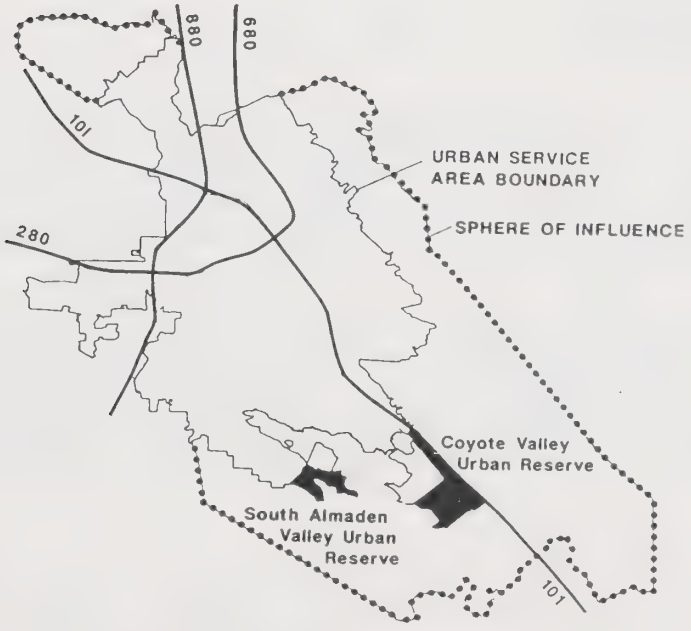
San Jose is working toward providing infrastructure services at the level-of-service goals stated in the Horizon 2000 General Plan. The City's commitment to improving transportation level-of-service is apparent through its participation in local and regional transportation programs. Sanitary sewer level-of-service should be attained by 1988 and maintained at least through the year 2000. Currently, San Jose satisfies its wastewater treatment goal and monitors City-wide development and growth to determine when the treatment plant will need to expand. All of these efforts demonstrate San Jose's dedication in providing services to its residents at the policy levels set in the Horizon 2000 General Plan.

Urban Reserve "Trigger" Mechanisms

One unique implementation tool of the Growth Management Strategy is the creation of Urban Reserves. Urban Reserves are areas which are appropriate for urban development and for inclusion in the Urban Service Area only in the long-term. They enable the City to phase growth, based both on need and the ability to provide the necessary facilities and services to support future development. San Jose has two urban reserves: South Almaden Valley and Coyote Valley (see Figure 11).

Figure 11

Urban Reserves



Source: Department of City Planning, City of San Jose

Before either of the Urban Reserves can be developed, certain trigger criteria must be satisfied. The criteria for each Urban Reserve and their current status is described below.

SOUTH ALMADEN VALLEY URBAN RESERVE:

Criterion 1: The identification of a preferred alternative in the Environmental Impact Statement/Report for the Route 85 project (at minimum, a four-lane expressway between Highway 101 near Bernal Road and Highway 280 near DeAnza College) and the allocation of funds for the project by the State Transportation Improvement Program.

Status: A preferred alternative has been identified in the EIS/EIR. Construction (being jointly funded by the Guadalupe Corridor Project and the Santa Clara County Traffic Authority) is expected to commence in mid-to-late 1988 and be completed sometime between 1993 and 1995. The State Transportation Improvement Program (STIP) has a five-year budget plan and, therefore, the final stages of the project should appear in the 1990 STIP, at the very latest.

Criterion 2: The issuance of building permits for development designed to accommodate 35% (17,500 jobs) of the planned 50,000-employee North Coyote Campus Industrial Area.

Status: No building permits have been issued for the North Coyote Campus Industrial Area. However, 80% of the area has been zoned Planned Development to conform to the Campus Industrial General Plan designation. Five Planned Development permits have been issued, with no indication of when building permits will be obtained.

COYOTE VALLY URBAN RESERVE:

Criterion 1: The identification of a preferred alternative in the Environmental Impact Statement/Report for the Route 85 project (at minimum, a four-lane expressway between Highway 101 near Bernal Road and Highway 280 near DeAnza College) and the allocation of funds for the project by the State Transportation Improvement Program.

Status: A preferred alternative has been identified in the EIS/EIR. Construction (being jointly funded by the Guadalupe Corridor Project and the Santa Clara County Traffic Authority) is expected to commence in mid-to-late 1988 and be completed sometime between 1993 and 1995. The State Transportation Improvement Program (STIP) has a five-year budget plan and, therefore, the final stages of the project should appear in the 1990 STIP, at the very latest.

Criterion 2: The widening of Highway 101 between San Jose International Airport and Bailey Avenue to at least six lanes.

Status: The widening of Highway 101 between the San Jose International Airport and Bernal Road is expected to be complete sometime between mid-1993 and mid-1995, largely funded by the Santa Clara County Traffic Authority. The widening of Highway 101 from Bernal Road to Bailey Avenue is presently anticipated to be funded by an assessment district of the North Coyote Campus Industrial Area. This district has not been created yet and, therefore, it is unknown when the widening will be complete. It should be noted that the level of employment growth specified in Criterion 3 below will not be of great enough magnitude to necessitate the Bernal-to-Bailey widening, however.

Criterion 3: The issuance of building permits for development designed to accommodate 50% of the planned 50,000-employee North Coyote Campus Industrial Area (25,000 jobs).

Status: As mentioned under South Almaden Valley, no building permits have been issued and it is uncertain when this trigger will be attained.

Criterion 4: Achievement of 50% of the City-wide, 1980 to 2000 employment growth projection (89,000 jobs).

Status: San Jose has an estimated employment growth rate of 7,400 jobs per annum. At this rate, San Jose will have captured 89,000 new jobs by the year 1992.

Criterion 5: The issuance of building permits for 60% of the planned 1980 to year 2000 dwelling unit increase within the 1983 Urban Service Area (37,800 dwelling units).

Status: San Jose has issued building permits for 26,594 dwelling units from 1980 to 1986. These units account for 70.35% of the required 37,800 units. If the City continues to issue building permits at a rate of approximately 3,800 per year, then this trigger will be satisfied by 1990.

Current trends indicate that all the trigger mechanisms for the Urban Reserves will be met in the mid-1990s except for the North Coyote Campus Industrial Area building permits/jobs criterion. Since no development has occurred in the North Coyote area, there is no trend upon which to project future development activity.

After all of the criteria are satisfied, then Specific Area Plans can be prepared. These Plans will delineate allowable land uses, infrastructure needs, requirements for infrastructure financing, and other appropriate policy

statements. The Horizon 2000 General Plan provides guidance for the Specific Area Plans for each Urban Reserve. The Specific Area Plan, in turn, does not become effective for either area until Route 85 is substantially complete and is expected to be open to traffic within one year (i.e., the mid-1990s). At that time, the Urban Service Area will be expanded and development approvals will commence.

The Urban Reserves and their development represent an innovative way to control growth. With the Urban Reserves not available for development until at least the mid-1990s, a greater motivation exists to pursue infill development for both residential and non-residential uses. Therefore, the Growth Management Strategy is being implemented so as to contain urban development within the Urban Service Area until the infrastructure is in place to support urban expansions.

Summary

The Growth Management Strategy complements the Economic Development Strategy in that it seeks to balance the need to house San Jose's population and the need to provide acceptable levels of service to its citizens. The strategy is being implemented by providing housing to new residents, improving municipal service levels, and managing the expansion of the City's Urban Service Area. San Jose is actively working to improve service performance through innovative means as well as by bolstering the tax base that funds these services through the pursuit of the Economic Development Strategy.

Economic Development Strategy

Vacant Land Supply
Urbanized Vacant Land
Permit Activity
Non-Residential Construction
Employment
Jobs and Housing Balance

A central theme of the Horizon 2000 General Plan is the Economic Development Strategy. The purposes of the strategy are to:

- Capture 51% of County-wide employment growth between 1980 and 2000.
- Provide employment opportunities for San Jose's residents.
- Move toward a balance of City-wide jobs and housing, by providing more jobs than housing from 1980 to 2000 to overcome San Jose's historic role as the "bedroom community" for the County.
- Increase the City's tax base to generate the revenues necessary for providing services and facilities to San Jose's residents and businesses.

The need for an Economic Development Strategy is illustrated by San Jose's low tax revenues relative to other large California cities. On a per capita basis, San Jose receives the lowest property and sales tax revenues in comparison to other California cities with populations of at least 250,000 persons (see Table 10). San Jose also ranks lowest in property and sales tax revenue per capita with other full service cities in Santa Clara County (see Table 11). A similiar comparison was done for Horizon 2000. The fiscal year 1981-82 data showed the same trends as the fiscal year 1985-86 information. Interestingly though, property tax revenues have decreased for all cities during this period. San Jose needs to pursue actively its Economic Development Strategy. To improve service delivery, the City must encourage revenue generating activity, such as non-residential construction and job production.

General Plan goals and policies guide and encourage economic growth in San Jose. The City's supply of vacant commercial and industrial lands provide the City's major opportunity for economic development. Many City programs, such as Redevelopment and the Enterprise Zone, offer incentives for greater economic activity. Capital improvements, such as roads and sewers, add to the City's infrastructure to attract, serve and support economic development. The Downtown Revitalization Strategy complements and fosters the Economic Development Strategy. By revitalizing the Downtown, new economic activity will be attracted to the central city and subsequent renewal of areas adjacent to the Downtown will occur.

The City's progress toward meeting its economic development goals is evaluated in this section. The assessment includes an analysis of non-residential vacant land supply and absorption, permit activity, non-residential construction, employment growth, and opportunities for future economic development.

Table 10
Fiscal Comparison of California Cities
Exceeding 250,000 Population*
1985-1986 Fiscal Year

City	Population	Property & Sales Tax Revenue Per Capita	Property Tax Revenue Per Capita	Sales Tax Revenue Per Capita
Sacramento	322,542	$177.1	$85.5	$91.6
Fresno	287,153	175.5	74.5	101.0
Los Angeles	3,215,506	169.0	94.2	74.8
Oakland	354,197	162.0	88.6	73.5
Long Beach	392,251	152.8	87.9	64.9
San Diego	1,002,895	151.3	68.1	83.2
San Jose	717,312	125.7	46.0	79.7

* Excludes San Francisco which, as a "City and County", receives property tax revenues for functions normally assumed by a county government (e.g., welfare, hospital, jail, courts, etc.)

SOURCE: Annual Report 1985-86 Financial Transactions Concerning California Cities, Ken Cory, State Controller

Table 11
Fiscal Comparison of Full Service Cities
in Santa Clara County
1985-1986 Fiscal Year

City	Population	Property and Sales Tax Revenue Per Capita
Palo Alto	56,831	$306.0
Santa Clara	90,274	303.4
Mountain View	62,160	252.0
Sunnyvale	114,334	241.4
San Jose	717,312	125.7

SOURCE: Annual Report 1985-1986 Financial Transactions Concerning California Cities, Ken Cory, State Controller

Non-Residential Vacant Land Supply

Except in the Downtown area, virtually all development in the City of San Jose involves the urbanization of vacant, unimproved or agricultural land. The development of vacant land is expected to continue at least to the year 2000. For this reason, the existing supply of vacant land provides for a significant opportunity for economic development in San Jose.

Referring again to Table 3 in the previous chapter, the total supply is approximately 17,000 acres, of which 35% is industrial and 2% is commercial. North Coyote has 1,500 vacant industrial acres, accounting for the largest planning area share (25%) of the total industrial vacant land in San Jose. The entire area has a General Plan land use designation of Campus Industrial and provides a core supply of land for a new type of industrial activity in the southern portion of San Jose. North San Jose and Edenvale each account for 18% of the remaining industrial vacant land, of which the majority has a land use designation of Industrial Park.

The distribution of vacant industrial land by General Plan land use designation is presented in Table 12. Of the total 6,000 acres, almost 50% of the vacant industrial land is in the Industrial Park designation, 35% is in Campus Industrial, 11% is in Light Industrial, 5% is in Heavy Industrial, and

Table 12
Distribution of Vacant Industrial Land
by General Plan Land Use Designation

General Plan Designation	Acres
Light Industrial	667.4
Heavy Industrial	284.5
Industrial Park	2758.9
Industrial Park/Mixed Use Overlay	170.1
Research & Development	-0-
Campus Industrial	2089.8
Research, Development & Administrative Office	29.2
Total	5999.9

SOURCE: City of San Jose Planning Department

0.5% is in Research, Development and Administrative Offices. This distribution indicates that an ample supply exists for a variety of industrial activities.

The supply of industrial land will probably last into the 21st century. Estimates of the number of years the supply will last varies by General Plan land use designation. Vacant land in the non-Campus Industrial designations is estimated to last approximately 19.5 years to the year 2006. The estimate is based on an average historic industrial urbanization rate of 200 acres per year. An emerging issue is the balance of land available for high technology industries on the one hand and industrial supplier/service firms on the other. The former typically locate in Industrial Park areas while the latter generally gravitate to Light Industrial and Heavy Industrial areas. The long-term adequacy of land suitable for industrial supplier/service activity is targeted for study in 1987-88.

Additional industrial lands may also contribute to the supply. These lands are currently developed, have redevelopment potential, and have either a Heavy or Light Industrial General Plan land use designation. Approximately 31 acres of Light Industrial land and 62 acres of Heavy Industrial land are in the South San Jose Planning Area. Eight acres of Heavy Industrial land are in the Central Planning Area. This total of 100 acres contributes to the total supply of industrial land available for economic development.

Campus Industrial lands have no history of development, in large part because the period following the 1983 designation of the North Coyote Valley for this use has not been a growth period for local industries and investment in new or expanded facilities has been deferred, of necessity. However, it is anticipated that the recent period of economic stagnation in the electronics and other high tech industries is a passing phase and that long-term growth prospects are good. This conclusion, coupled with the large supply of land available for other forms of industrial development, lead to the conclusion that the 50-acre average/25-acre minimum parcel sizes required in Campus Industrial areas are still appropriate.

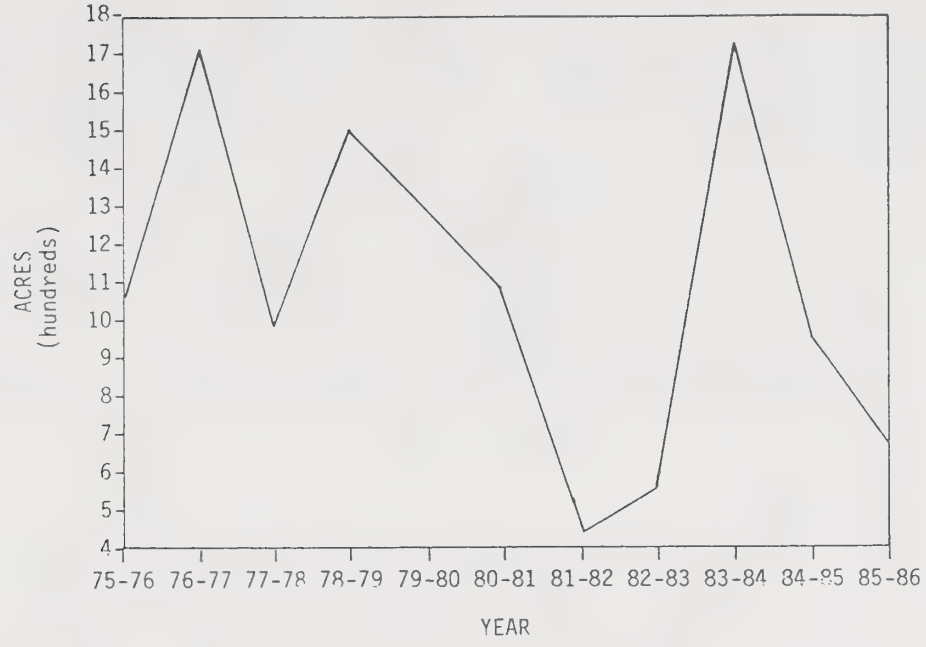
It is possible that the Campus Industrial lands will be absorbed at a slower rate than the other industrial areas. If so, then the total supply of industrial lands could last well beyond 20 years.

The total industrial vacant land supply is sufficient to accommodate a variety of industrial activity throughout the City. Thus, vacant land urbanization should contribute to the expansion of the City's economic base. Industrial vacant land is available in almost all planning areas and General Plan industrial designations.

Vacant land data can also be used to determine if future land use development will provide housing opportunities near employment centers. Referring to Table 3, in Alviso and North San Jose, industrial vacant land is significantly greater than residential vacant land. However, six General Plan amendments in the 1987 Annual Review propose to change approximately 315 acres of Industrial Park to various higher density residential land use designations in the North San Jose and Berryessa areas. These amendments would provide more housing

Figure 12

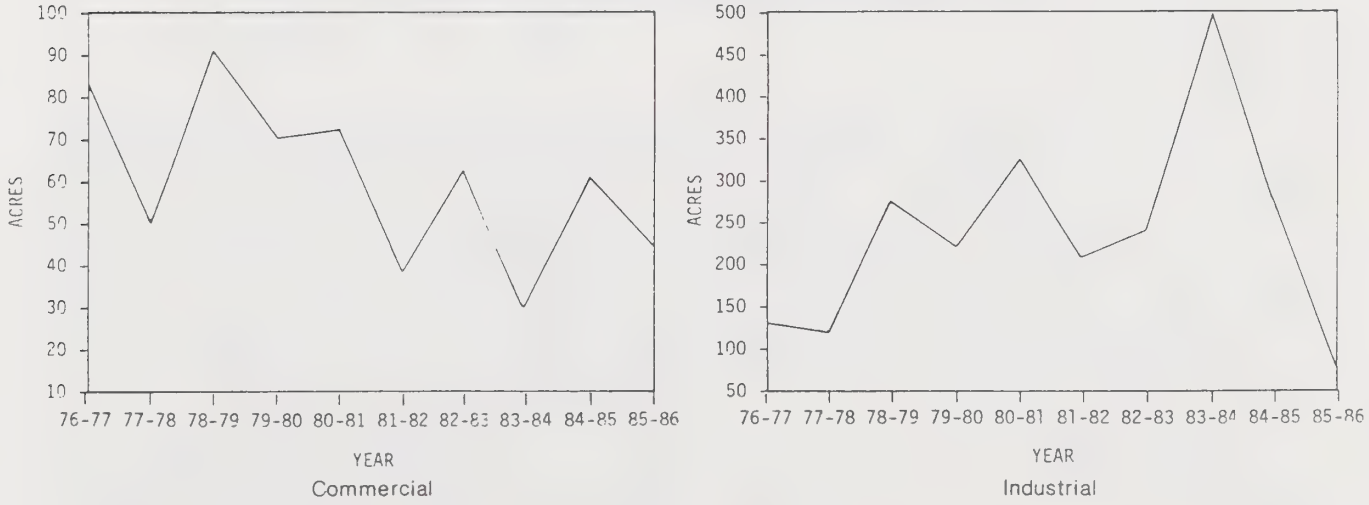
Urbanization of Vacant Land for all Land Uses



Source: Department of City Planning, City of San Jose

Figure 13

Urbanization of Vacant Commercial and Industrial Land



Source: Department of City Planning, City of San Jose

closer to jobs in the inter-city Golden Triangle industrial area than is presently available.

Elsewhere, the City has sufficient residential development potential near future industrial employment centers. Even though the Coyote Planning Area will have no residential development potential until the Urban Reserve "trigger" mechanisms are satisfied, it is adjacent to the Almaden Planning Area which has far more residential than industrial vacant acres. Additionally, the Evergreen Planning Area has close to 4,000 vacant residential acres and only 400 vacant industrial acres. Thus, the Evergreen and Almaden areas can provide residential support to Edenvale and Coyote employment growth. Together, the Edenvale and South San Jose Planning Areas have over 1,000 vacant residential acres that can also provide housing for this employment growth. In reviewing this question, however, it is important to recognize that housing location decisions are based upon a complex mix of factors, only one of which is job proximity.

Urbanized Vacant Land

Figure 12 graphically expresses the total acreage absorbed per year since 1976. The absorption pattern mirrors economic activity in San Jose. The strength of the San Jose economy encouraged residential, commercial, and industrial development. For example, in 1976, 1,700 total acres were absorbed and in 1981, the urbanized acreage decreased to 450 acres. Again, in 1983, 1700 acres were absorbed, reflecting the post-recession recovery of the economy and in particular, the resurgence of acreage intensive single-family residential development.

A summary of the absorption of vacant land from 1976 to 1986 is presented in Figure 13 for commercial and industrial land uses. In terms of commercial vacant land absorption, 90 acres were urbanized in 1978 representing the largest development activity for this land use. 1983 was the most active year for industrial development with nearly 500 acres being absorbed.

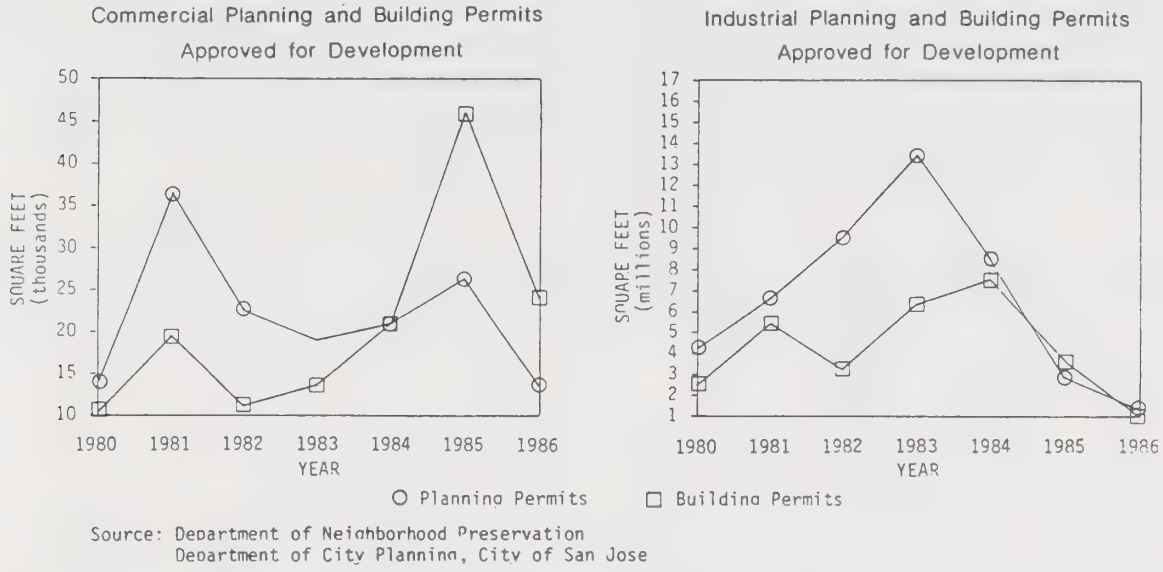
Permit Activity

As with residential development, non-residential construction in the City of San Jose can be tracked through discretionary planning permits and building permits. By comparing the approved planning permits with the issued building permits, it is possible to determine the relationship between the two for predictive purposes. Figure 14 compares the approved planning permits with the issued building permits for commercial and industrial land uses. Planning permit data are organized by the date in which the permit application was submitted, as opposed to an approval date. Building permits are organized by the date they are issued (i.e., the date construction can begin).

For commercial projects from 1980 to 1983, planning permits outpaced building permits by a total of nearly 4 million square feet. In 1984, the two sets of permits were equivalent at 2 million square feet. Then, in 1985 and 1986, building permits exceeded planning permits again by nearly 3 million square feet. Interestingly, for both portions of the cycle, the two permit sets follow the same peaks and troughs, with only the values differing.

Figure 14

Comparison of Planning and Building Permit Activity by Commercial and Industrial Use



Source: Department of Neighborhood Preservation
Department of City Planning, City of San Jose

These trends suggest a 3 to 5 year lead-lag period between discretionary planning permits and building permits. This "lag period" could be due to any combination of the following:

- o Processing time for both planning and building permits may account for 6-12 months.
- o Developers have approximately two years from the date of planning permit approval until building permits must be issued.
- o In a few cases, time extensions for planning permits are sought and granted.

Therefore, to some extent, developers can time project construction according to market conditions and other factors.

Industrial planning and building permits exhibit a phenomenon different from commercial permits. From 1980 to 1984, planning permits rose steadily to a peak of almost 14 million square feet. Since then, planning permits have dropped to 1 million square feet. Building permits, on the other hand, began to rise in 1980 and 1981, but dropped significantly in 1982. Again, this suggests that building permit activity closely follows overall economic activity. In 1984, building permits rose to 7.5 million square feet, being very close to development permit activity. Given the large supply of vacant industrial space, building permits followed planning permits in the 1984 through 1986 descent to 1 million square feet.

The percentage of planning permits which obtained building permits can be estimated over the 1980 to 1986 period. It is not possible to determine the annual percentage because many projects do not obtain building permits in the same year that planning permit submittal occurred. Sixty-six percent of the industrial projects with planning permits have building permits and only 37% of the commercial projects with planning permits have building permits. It is expected that a certain percentage of planning permit applications are pure speculation. Other explanations include uncertainty surrounding the new tax reform bill and the overbuilt non-residential market.

These data indicate that the City of San Jose experienced significant economic development activity from 1980 to 1986. Permit activity levels oscillated year to year, due to market conditions, existing vacant structures, and other factors. Land use development should continue to contribute to the economic development of San Jose.

Non-Residential Construction

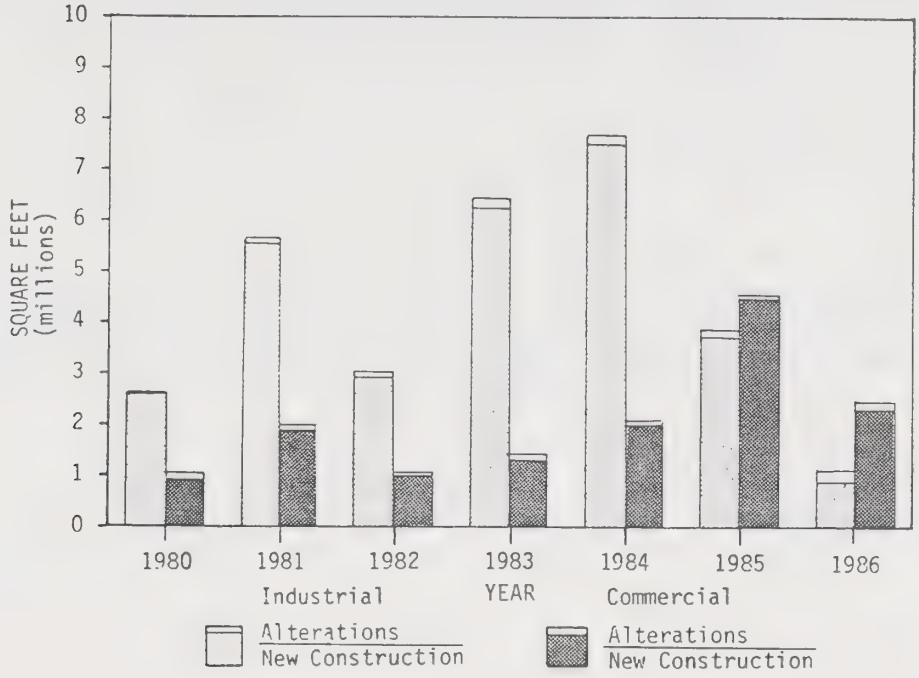
Non-residential construction data can also be analyzed for further insights into San Jose's growth from 1980 to 1986. The City's progress is discussed in terms of industrial and commercial construction, San Jose's percent share of Santa Clara County development, distribution of San Jose's development activity by land use type, and vacancy rates.

Industrial construction continued to decline in 1986 to almost one million square feet from its peak in 1984 of approximately eight million square feet. This is the lowest year of industrial activity within the last seven years. Contributing factors include the large inventory of vacant industrial space and the slowdown in the computer and electronics industries (see Figure 15).

In 1986, commercial activity was down to about 2.5 million square feet from its seven year high of four million square feet in 1985. Commercial construction varied between one and two million square feet per year from 1980 to 1986, with the exception of the 1985 high. In other words, the drop in 1986 from 1985 indicates that commercial construction is returning to its longer term level (see Figure 15).

Figure 15

Industrial and Commercial Square Footage 1980-1986



Source: Department of Neighborhood Preservation, City of San Jose

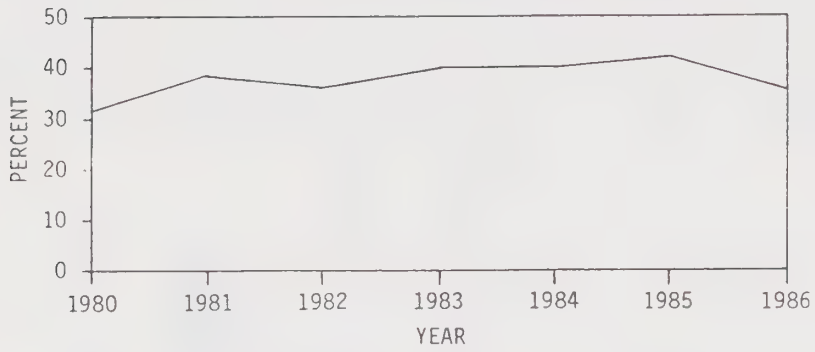
Figure 16 demonstrates San Jose's share of Santa Clara County building valuation from 1980 to 1986. San Jose's 1985 share of 42% decreased to 36% in 1986. This may reflect the abundant supply of office and industrial space in San Jose relative to the County. As this space is absorbed, it is expected that San Jose's share will begin to rise again and eventually reach the General Plan goal of attaining a major share of County building valuation.

Figure 17 shows San Jose's percent share of County office construction as measured in square feet. With the exception of 1983, San Jose accounted for over 60% of office construction from 1980 to 1986, demonstrating the City's dominant position in this market.

The difference between San Jose's share of building valuation and square feet is probably due to the fact that the square footage data accounts for only office construction; whereas, the building valuation data include all commercial and industrial construction.

Figure 16

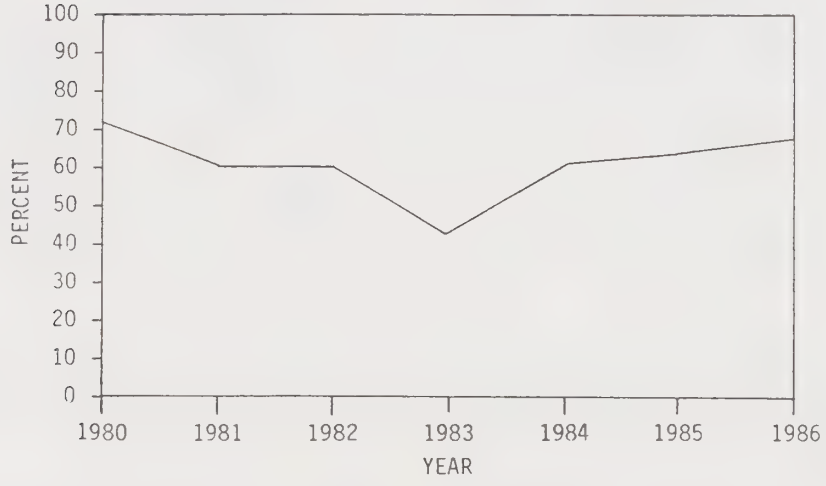
Non-Residential Building Valuation,
San Jose Share of County Total



Source: Security Pacific Bank

Figure 17

San Jose Share of Santa Clara
County Office Construction (Square Feet)



Source: MacMillan, Moore and Buchanan

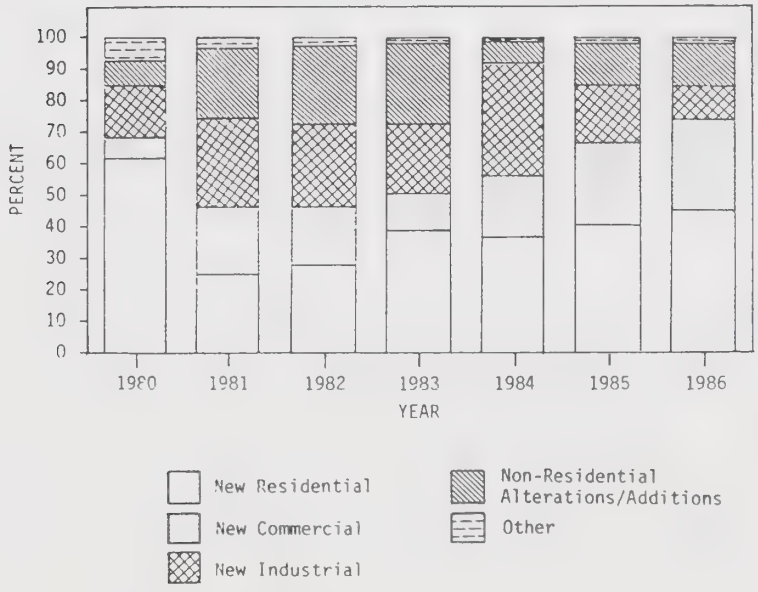
Figure 18 presents the distribution of building valuation in San Jose by residential, commercial and industrial construction. From 1981 through 1984, industrial valuation exceeded residential and commercial valuation, with 1984 being the most significant year for industrial development activity. The significance of these data is that after 1980, residential construction accounted for less than half of the total building valuation. This trend has held for six years, indicating that San Jose is beginning to balance its land use development. The 1986 data show a continuing trend from 1985 in which commercial valuation outpaced industrial valuation.

From 1980 to 1984 both San Jose and Santa Clara County had office vacancy rates ranging from 8% to 16% per annum. In 1985, vacancy rates rose to 26% in the County and 32% in the City. These rates continued into 1986. In terms of industrial vacancy rates, San Jose had a 45% vacancy rate in 1986 compared with a 33% vacancy rate in Santa Clara County.

Vacancy rates are typically cyclical and, therefore, it is expected that these rates will decrease. It is also important to recognize that the large volume of unoccupied space exists throughout the Bay Area. Therefore, the market forces affecting leasing behavior must be evaluated in terms of regional and local conditions.

Figure 18

Building Valuation by Construction Type 1980-1986



Source: Security Pacific Bank

Although construction activity has decreased in the last couple of years, San Jose is expected to continue to attract significant non-residential construction and increase its share of County development once the economy improves. Overall, non-residential development continues to be one of the most significant contributions to San Jose's economic development.

Employment

Employment growth in San Jose is central to the realization of the economic development goals of the Horizon 2000 General Plan. By increasing job opportunities within the City, its residents will be able to fulfill their economic aspirations and enjoy improved services and facilities supported by the tax revenues generated by industrial and business activities.

The two key concepts of the Economic Development Strategy:

- Provide 51% of County-wide employment growth
- Move toward a balance of City-wide jobs and housing by providing more jobs than housing between 1980 and 2000.

This section summarizes San Jose's employment growth from 1980 to 1986 and compares it to the County's employment growth for the same period. An evaluation of San Jose's progress toward meeting the 51% goal is presented and discussed in the context of its attainment by the year 2000.

The most accurate understanding of San Jose's employment growth can only be through the analysis of city level data available from the State Employment Development Department (EDD). The 1980 EDD data were used in the development of the Horizon 2000 General Plan since that year corresponded with the U.S. Census of Population and Housing. The process necessary to analyze and verify the EDD data is time-consuming and can be accomplished only infrequently (in addition to which it is difficult for non-job training agencies to obtain the raw data). It is hoped that EDD data can be obtained for the year 1990 to coincide with the Census. Until then, it must be recognized that the San Jose employment data presented in this report are only estimates of our progress.

From 1980 to 1987, San Jose's employment growth is estimated at between 46,200 and 57,300 new jobs. This translates into growth rates of 6,600 to 8,200 jobs per annum, or an average of approximately 7,400 jobs per annum. These estimates are based on increasing the 1980 employment derived from the EDD data by the same percentage increase in employment shown in San Jose Business License Tax receipts (certain industries as well as public agencies are exempted from the Business License Tax, so it cannot be directly used to report total employment). There are upper and lower parameters of new jobs since the City and ABAG arrived at different estimates of 1980 employment using the same 1980 EDD data.

In 1980, San Jose accounted for 37.2% of the County's total employment. From 1980 through 1986, San Jose's share of County employment growth appears to vary from 40% to 50%, averaging 45%. Not only is this a considerable improvement from the City share of 37.2%; but if it is indicative of future

trends, then San Jose will be capturing at least 51% of the County's employment growth before the year 2000.

The Horizon 2000 General Plan projects employment growth between 1980 and 2000 at 178,000 new jobs. This figure was based on a target of 51% of the County's employment growth of 349,200 new jobs during the 20 year period. Recently revised projections of County employment are higher than those utilized in the development of Horizon 2000. The U.S. Department of Commerce 1985 OBERS projections contain the highest estimates of County employment: 1,267,000 jobs by the year 2000. ABAG's Projections 87 has the lowest estimate, at 1,102,900 year-2000 jobs. The Center for the Continuing Study of the California Economy estimate 1,250,000 jobs by the year 2000. Previous year-2000 estimates available when the Horizon 2000 General Plan was being developed ranged from 901,000 to 1,073,000 jobs. Of the three projection sources cites above, ABAG is generally afforded the most credence.

If these revised projections hold true and San Jose continues to target 51% of the County's estimated employment growth, 206,000 to 282,500 new jobs would be needed by the year 2000 rather than the 178,000 based on outdated forecasts for County-wide growth.

However, employment growth in the County in recent years has not kept pace with even the older, lower projections. The estimated 1980 to 1986 County growth rate is 16,358 jobs per annum. If this growth rate remains constant, by the year 2000, the County will have only captured 327,160 new jobs. This is approximately 23,000 jobs short of the previous projections. Therefore, if the County job growth rate from 1980 to 1986 continues to the year 2000, the revised projections (i.e., ABAG's Projections 87 and OBERS) are expecting much higher employment growth than what might, in fact, occur.

Although the County's employment growth to date is not as high as predicted in the General Plan, it would be premature to modify the General Plan to reflect slower growth. First, employment growth is projected in terms of long-term trends. Short-term fluctuations should not affect long-term expectations. Only a clear directionality in trends over several years would justify a re-examination of the forecast.

Second, San Jose continues to have an imbalance with respect to jobs and housing (discussed in detail below). By maintaining a high employment target, City programs will continue to act to bring more jobs to San Jose.

The estimates presented above indicate that, although County employment growth rates are not as high as expected, San Jose has been able to capture a greater share of the County's employment growth. Therefore, even if the County does not obtain the projected 350,000 to 464,000 jobs, San Jose may be able to capture 51% of the County's employment growth before the year 2000.

Jobs and Housing: Workers Per Household

San Jose has historically been a bedroom community for the employment centers in the North Santa Clara County cities. The terms "jobs/housing" is used to

refer to such an imbalance, when in fact the actual imbalance (or balance) is a comparison between jobs and resident workers. The number of resident workers is larger than than households since there is, on the average, more than one worker per household.

In 1980, the 231,425 households in the San Jose Sphere of Influence included 338,390 employed persons, for a rate of 1.46 employed residents per household. Since there were only 269,105 jobs in the Sphere of Influence in that year, there was a net out-commute from San Jose of nearly 70,000 workers each day.

The figures in Table 13 summarize the estimated changes in the jobs/housing equation which have occured since 1980. The two most important figures in this analysis are the estimated reduction of over 2,000 workers in the net out-commute and the increase in the workers per household rate, and the interrelationship between the two. The reduction in net out-commute (about 3%) seems modest in light of the fact that employment growth is stronger in the post-1980 period than previously. Since housing development has been occurring at expected rates, the reason for this anomaly is the apparent rise in the workers per household rate. The General Plan assumes that workers per household will reach 1.59 by the year 2000, and the estimated increase since 1980 is consistent with this long-term forecast. However, as illustrated in Table 14, this means that modest employment growth will not improve a jobs/housing imbalance if there is an increasing number of workers per household plus residential growth. Only dramatic gains in new employment will make significant progress in reducing the gap between jobs and resident workers.

Table 13
Estimated Jobs and Housing Balance
San Jose Sphere of Influence

	Existing-1980	1980 to 1987 Increment	1987 Total
Households[1]	231,425	26,410	257,835
Workers Per Household[2]	1.46	N/A	1.51
Employed Residents[3]	338,390	49,770	388,160
Jobs[4]	269,105	51,800	320,905
Net Out-Commute	69,285	-2,030	67,255

SOURCES:
1. City of San Jose Department of City Planning
2. Derived by dividing employed residents by households.
3. 1980 estimate from ABAG Projections '87. 1987 estimate from EDD labor force estimates.
4. City of San Jose Planning Department (see text above).

A note of caution needs to be interjected here regarding the accuracy of the conclusions reached from the data in Table 14. All of the data for 1987 are estimates derived from different sources which used separate methodologies. Relatively minor inaccuracies in these individual estimates could well be magnified when combined with one another for comparison purposes or to derive such indicators as the workers per household rate. This concern highlights the value of comprehensive data sources like the U.S. Census of Population and Housing and strongly suggests that a true picture of the jobs/housing situation must await the 1990 Census.

As noted above, the Horizon 2000 General Plan assumes that there will be 1.59 workers per household in the year 2000. In Projections '85, ABAG made a relatively consistent forecast of 1.61. However, the recently released Projections '87 now forecasts only 1.54 workers per household in 2000. The seemingly minor difference between the 1.54 and 1.59 rates becomes significant when applied to a community as large as San Jose. For the 447,100 jobs projected for San Jose in the year 2000, more than 9,000 additional dwelling units would be needed to house this labor force at the lower workers per household rate as compared to the higher rate. This poses negative implications for providing municipal services. Projections '87 appears to ignore several factors which should keep the workers per household rate high, including:

- Women will participate more in the labor force (i.e., more women will be working than before).
- The cost of living in Santa Clara County will remain high, encouraging two income households.
- The "baby boom" generation will not begin to reach retirement age until after the year 2000.

While these factors are believed to cast some doubt on ABAG's most recent projections, a more definitive analysis of actual trends will require the results of the 1990 Census.

Summary

San Jose has made steady progress since 1980 toward reaching its Economic Development goals. Vacant land absorption, permit activity, and non-residential construction demonstrate high levels of land development in San Jose. Increases in employment in the City relative to the County indicate that the employment growth goals of the General Plan may be reached before the year 2000. An apparent improvement in the jobs/housing imbalance has reversed the pre-1980 trend toward a worsening imbalance, but higher rates of employment growth will be necessary to make significant progress in achieving parity between jobs and the resident work force.

Figure 19

Downtown Core Area and Frame Boundaries



Source: Department of City Planning, City Of San Jose

Downtown Revitalization Strategy

Downtown Development Activity
High-Rise and Hotel Policies
Special Programs

One of the fundamental goals of the Horizon 2000 General Plan is to revitalize San Jose's Downtown. Underlying the Revitalization Strategy is a public investment program acting as a catalyst to create a prominent and attractive Downtown which will draw new investment, residents, business visitors and life to the center city. Although the strategy has only been in effect a few years, the Downtown has demonstrated is ability to attract commercial investment.

Specific strategy elements allow for a mix of land uses which contribute to a pedestrian-oriented "24-hour" Downtown. These land uses include high-rise offices, restaurants, entertainment centers, speciality retail stores, cultural and convention facilities, and high density residential uses. Central to these developments is the preservation of historic structures and the provision of public open space areas. A multi-faceted Downtown transportation system is designed to serve the area.

The assessment of the City's progress toward Downtown revitalization considers construction activities, development policies, and special program results.

Downtown Development Activity

Since 1980, and even since the adoption of the Horizon 2000 General Plan in 1984, the face of Downtown San Jose (see Figure 19) has been dramatically transformed. After many years during which progress toward revitalization seemed to move at a snail's pace, a flood of public and private investment has resulted in overwhelming evidence that Downtown San Jose's future position of metropolitan prominence is assured.

Public investment from local sources has been funded largely by the tax increment revenues derived from the merger of industrial Redevelopment Projects in North San Jose and Edenvale with the several Redevelopment Projects in and near Downtown. Other major sources of funding the City has successfully coordinated with its own investments include the Federal Government (flood control and transportation), the State of California (transportation), the County of Santa Clara (transportation), and the Santa Clara Valley Water District (flood control).

Major public projects currently under construction include:

- San Jose Convention Center (425,000 square feet) will make a significant contribution to a "24-hour" Downtown by supporting restaurant, hotel, entertainment and other retail uses.

- Downtown Transit Mall will reinforce and enhance Downtown's role as the hub of the County's public transit network through the interface of the Guadalupe Corridor Light Rail line and the bus system.

- Guadalupe River Bypass Channel will divert flood waters around the natural river channel, thereby reserving the natural channel for park purposes and making it an integral part of Downtown life.

- Route 87 Downtown Bypass Freeway will relieve Downtown streets of rush-hour traffic congestion originating in the Silicon Valley industrial areas as well as significantly improve the accessibility to Downtown employment and attractions from the regional highway network.

Other projects in which public funds are being jointly invested with private funds include:

- Fairmont Hotel
- Silicon Valley Financial Center Office Tower and Retail Pavilion
- Technology Center of Silicon Valley
- Children's Discovery Musuem

Private development is keeping pace with public-supported development. Office construction, the major component of economic development in the Downtown area, has led the way. Since 1980, new office buildings have accounted for 2.4 million square feet of leasable space. Nearly 900,000 square feet of office space are under construction in three buildings: the Silicon Valley Financial Center Office Tower, the Wilson Building at Almaden Boulevard and Santa Clara Street, and the Hare, Brewer & Kelley Building at 160 West Santa Clara Street. Additionally, almost 700,000 square feet of office space in two proposed buildings have received discretionary permit approvals from the City but are not yet under construction: the Boone and Fox project at 151 West Santa Clara Street and the second office tower in Lincoln Properties' River Park project.

In total, these office projects add up to over 3.9 million square feet. If development continues at the pace established in the past few years, it is very possible that the upper end of the 1995 target of 3.5 to 4.5 million square feet of new office space set forth in the City Center Development Plan could be achieved by 1990.

Residential development in the Downtown Core and Frame Areas has perhaps not achieved the same spectacular results as office construction, but important and significant first steps have been made. Over 415 units in new developments have been completed or are under construction in the following projects: The Colonnade (185 units), Jefferson Square (84 units), Parkside Condominiums (116 units) and St. James Place (32 units). Nearly 115 more units are now under construction in the conversion of non-residential structures to housing: Vintage Towers (75 units) and the former James Storage

Warehouse (38 units). Some of these projects have received public subsidies from the Redevelopment 20% Funds. With this financial incentive providing the catalyst, the success of these projects should demonstrate the market feasibility of Downtown housing and convince the home-building industry that city center housing development does not need direct public subsidies.

Finally, an important part of the Downtown Revitalization Strategy is the literal revitalization of existing structures, as opposed to the construction of new buildings. The conversion of commercial and industrial buildings to residential use has already been noted. Additionally, a number of commercial structures have been rehabilitated. Significant examples include: the Dohrmann Building, the Sainte Claire Hotel, the Lion Building, the New Century Block, the Oasis nightclub and the former Roos-Atkins and Penney's buildings at the corner of First and Santa Clara Streets. A discussion of historic preservation is included in the Urban Conservation/Preservation Strategy section of this report.

The construction and restoration activity for a number of public facilities or those supported by public funds demonstrate that the City and its Redevelopment Agency are vigorously pursuing the revitalization of Downtown. The private sector's confidence in revitalization is evidenced by continued office construction in the Downtown despite economic slowdown and the inventory of vacant space. Development activity will grow as the economy improves during the remainder of this decade. The combination of office, hotel, retail, residential, and public projects contributes to a center city which will provide a variety of land uses. This mix of land uses will foster a "24-hour" Downtown.

High-Rise and Hotel Policies

The Horizon 2000 General Plan specifies that Downtown San Jose is the focal point for intense urban activities. For this reason, Downtown development policies encourage pedestrian-oriented uses and high-rise office, hotel and residential uses. Additionally, in recognition of the intensity of development in Downtown and its role as the transit hub of the County, the Transportation Level of Service Policy does not apply to Downtown intersections and development. The high-rise and hotel policies merit specific comment.

The high-rise policy limits non-residential building heights to 45 feet for development occurring outside the Downtown Core, Downtown Frame Area, and select industrial areas. Building heights in the Downtown Core are only limited by the airspace requirements of the nearby San Jose International Airport. To date, the high-rise policy has guided City-wide development and helped concentrate high-rise construction in the Downtown Core. The City skyline includes numerous tall buildings, giving Downtown an identifiable physical image.

The hotel policy encourages the location of new major hotel development in the Downtown. Downtown hotel development supports the Convention Center

development and contributes to the realization of a "24-hour" Downtown. Hotel patrons will utilize the business amenities during the day and the restaurant and entertainment facilities in the evening. The policy states that hotel and motel development elsewhere in the City is permitted only when it would not interfere with Downtown revitalization.

An analysis of the effectiveness of the hotel policy was completed in May 1987. The analysis concluded that:

- The location of hotels in areas adjacent to the Downtown can directly support the marketing of the Convention Center.
- Hotels located in industrial redevelopment areas would capture the business traveler market.
- All hotel development supports the Economic Development Strategy of the General Plan by contributing to San Jose's tax base and adding jobs to the City.
- Hotel development in the Downtown encourages financial, legal, and other services to gravitate to Downtown locations.

These findings conclude that the General Plan hotel policy remains valid. Specific implementation criteria were adopted by the City Council in June 1987 which detail types of hotel development allowed outside the Downtown Core. These criteria operate as an interpretation of the hotel policy and will be evaluated for possible revision when 1,500 first class hotel rooms are available for occupancy in the Downtown Core.

A total of approximately 415 first class hotel rooms currently exist in the Downtown. The Fairmont Hotel will add 584 rooms. In addition, a Ramada Renaissance Hotel (385 rooms) is proposed to be developed just east of the Convention Center. All of these projects add up to 1,380 hotel rooms, or 92% of the 1,500-room criterion. Given that only approximately 120 Downtown hotel rooms are needed before the policy will be re-evaluated, the City is close to providing hotel services which foster a "24-hour" Downtown.

The conclusion to be drawn from this analysis is that the hotel and high-rise policies have been successful in contributing to the revitalization of Downtown. Although the details of these policies may need to be adjusted from time to time to meet other City objectives, the basic features of these policies should be kept intact for the foreseeable future.

Special Programs: Enterprise Zone and Central Incentive Zone

Two programs -- the Enterprise Zone and Central Incentive Zone -- provide unique incentives to revitalize Downtown and adjoining central city areas of San Jose. The programs not only facilitate the Downtown Revitalization Strategy, but also the Economic Development Strategy. Each program and its accomplishments are described briefly below.

Figure 20

Enterprise Zone



Source: Office of Economic Development, City of San Jose

On December 31, 1986, the State of California designated a portion of San Jose an "Enterprise Zone". All of the Downtown Core and Frame Areas, as well as considerable land to the north and east of Downtown, are included in the Enterprise Zone (see Figure 20). An Enterprise Zone is an area in which various state economic incentives are automatically available to all businesses within the Zone. These incentives include hiring credits, sales tax credits, and business expense deduction. Although the Enterprise Zone program is in its infancy, significant interest exists among qualified businesses. The designation is valid for 15 years.

Established in 1981 and renewed in 1986, the Central Incentive Zone program provides local incentives to businesses located within the Downtown Core and Frame Areas. The incentives include significant one-time construction tax exemptions from the City, technical assistance, and loan guarantee funds. All industrial and commercial projects qualify, while only residential projects of four or more dwelling units are eligible. A significant accomplishment of this prgram includes the restoration of historic structures.

Summary

The combination of private development, public facilities construction, development policies, and economic incentives are successfully working to revitalize Downtown San Jose. The completion of major catalyst projects like the Convention Center, the Fairmont Hotel, and the Retail Pavilion in the Silicon Valley Financial Center, and the success of Downtown housing projects should stimulate additional development activity.

As regards future Downtown planning efforts, the foregoing analysis leads to the conclusion that attention can be appropriately paid to a number of detailed issues now that the overall direction for development and redevelopment has been established. For residential development, incentives which do not involve the Redevelopment 20% Funds should be explored and attention can start to shift from fostering individual projects to promoting development of high density neighborhoods. For public projects, the inventory of desirable additional facilities -- such as expanded main library facilities and a repertory theater -- needs to be firmly set so that appropriate sites can be reserved now. Strategies for retail and service commercial development should capitalize on the office employment base and convention trade and should anticipate the needs of the emerging Downtown residential population. In terms of infrastructure, the continuing development of adequate parking facilities to meet the ever-increasing demand should be a priority and traffic and pedestrian circulation patterns should be re-evaluated once the Transit Mall is completed and in operation. Finally, consideration should be given to establishing design guidelines for key development areas.

Urban Conservation/ Preservation Strategy

Infill Housing Opportunities
Neighborhood Traffic Studies
Historic Preservation
Neighborhood Business Districts

The Urban Conservation/Preservation Strategy recognizes the importance of sustaining viable residential neighborhoods and commercial and industrial districts by protecting these areas from incompatible development, maintaining the housing stock, encouraging neighborhood participation in local improvement activities, promoting civic pride and community identity, and rehabilitating declining areas. The Urban Service Area and service level policies support the conservation of existing neighborhoods as discussed in the Growth Management Strategy chapter. The Economic Development Strategy also contributes to urban conservation/preservation by expanding the City's tax base which pays for improved services and neighborhood maintenance. The City's housing programs are discussed in the Growth Management Strategy chapter of this report.

A number of General Plan goals and policies work together to realize the objectives of the Urban Conservation/Preservation strategy. Some of these goals include:

- Improve the existing quality of life and create a stable, mature community.
- Enhance the sense of neighborhood and community identity in San Jose.
- Provide a high quality living environment in residential neighborhoods.
- Require the highest standards of architectural and site design for all development projects, both public and private.
- Preserve significant historical and archeological structures, sites, districts and artifacts in order to promote historic awareness and community identity and to enhance the quality of urban living.

Implementation measures of the Urban Conservation/Preservation strategy described in this chapter include infill residential development, neighborhood traffic mitigations, historic preservation and neighborhood business districts. These are, however, only a part of the successful implementation of this strategy, since much of its day-to-day application in the development review process is the protection of residential neighborhoods from imcompatible development, a difficult activity to measure or catalogue. Various policy directives also contribute to the strategy. The Residential

Design Guidelines provide standards for high quality construction. The Level of Service Alternate Mitigation Policy protects neighborhoods against traffic mitigation measures which in themselves produce adverse impacts. Strategically, these measures and policies work together to promote community identity and cohesiveness.

Infill Housing Opportunities

The Horizon 2000 General Plan recommended an Infill Housing Opportunities Study to analyze sites throughout the City where infill opportunities are available, and to develop land use guidelines and recommendations for promoting infill development as well as to protect existing neighborhoods from incompatible development. The study was conducted by a Steering Committee appointed by the Mayor and City Council.

The results and recommendations of the infill study were accepted by the City Council in May 1987 and include:

- Infill Parcel Inventory and Analysis - This comprehensive parcel inventory consists of maps and a database of all vacant land planned for commercial or residential uses within San Jose's Urban Service Area. (General Plan policy allows, on a discretionary basis, the residential development of small commercial parcels under two acres and larger commercial parcels located on major thoroughfares.) The Inventory provides basic parcel data and other useful site information. The Inventory also includes the Site and Architectural Compatibility Criteria (extracted from the Residential Design Guidelines described below), and the Density Criteria Evaluation. The latter guides the use of the Inventory data to assess the residential density potential of individual sites which would be consistent with neighborhood compatibility criteria.

- Steering Committee Final Report - The report outlines the study process followed in the Infill Housing Opportunities Study and details the Committee's findings and recommendations. The recommendations include improving library and park services which are impacted by infill development and improving public noticing procedures for development proposals.

- Alternate Traffic Mitigation Measures Policy - The Infill Study Steering Committee developed the Level of Service Alternate Mitigation Policy, adopted by the City Council in June 1987. The policy provides a process to consider alternate traffic mitigations when the required mitigation would result in a substantial adverse impact on an affected neighborhood, defined as the removal of on-street parking.

The Infill Inventory and Analysis provides a single document with comprehensive information about the City's vacant land resources for residential development. It is expected that the Inventory will encourage infill development by identifying opportunities and providing a common set of

guidelines for developers, neighborhood residents and decision makers.

The Inventory and Final Report also point out the constraints, primarily in the transportation network, for future infill development. The infrastructure analysis completed for the Infill Study found that, particularly in the near-term (five years), traffic congestion is likely to worsen due to the absence of planned regional transportation facilities, such as State Routes 85 and 87. Without these facilities, many of the City's arterial streets will continue to carry excessive peak hour trips. Some infill sites are unsuitable for construction in the near-term because of these local transportation capacity constraints.

In addition, the Final Report illuminates strong neighborhood concerns regarding the density and compatibility of infill developments. Some of these concerns should be alleviated by use of the Residential Design Guidelines. The Guidelines, adopted by the City Council in November 1986, give specific site and architectural standards for the complete range of housing types. These Guidelines are being implemented with all new residential projects in the City and should result in projects which are compatible with their surroundings. It is anticipated that minor adjustments in the Guidelines will be recommended after the first complete year of experience with them.

Another neighborhood concern is that as the supply of vacant land diminishes, developers will increasingly look to reuse underutilized properties to provide additional housing. Several City studies, including the Monterey Corridor Study, the Jackson-Taylor Study and the Lincoln-Auzerais Study, have identified underutilized properties that may be privately redeveloped for housing. Further examination of other underutilized lands may be necessary in the future to identify their housing potential. The Growth Management Strategy chapter discusses San Jose's residential holding capacity in greater detail.

Neighborhood Traffic Studies

Another mechanism for the implementation of the Urban Conservation/ Preservation Strategy is neighborhood traffic studies. These studies seek ways of minimizing commute traffic, parking, speeding, accidents, noise and large truck travel in residential neighborhoods. Typical solutions to these problems are street diverters, barriers, and closures; parking restrictions; and improved pavement markings and stripings. The success of these programs will help implement the Urban Conservation/Preservation Strategy.

The City has completed three neighborhood traffic studies for Naglee Park, Rogers-Ryan and Northside, and is now implementing measures to reduce traffic on these neighborhood streets. Quantifiable results of the measures include fewer accidents and reduced through traffic, with the perception by neighborhood residents that their quality of life has been enhanced. Four studies are currently in progress: Olinder, Dry Creek Road and New Jersey Avenue, Shasta/Hanchett, and Willowhurst.

Historic Preservation

The preservation and restoration of San Jose's historic structures contribute significantly to community identity and neighborhood preservation. A number of recent activities highlight the City's historic preservation activities.

Among the more significant accomplishments is the Design Guidelines Planned Development zoning for The Alameda. The zoning represents an identification and awareness of The Alameda as a significant element in the Bay Area's heritage and development. Furthermore, the land use planning approach uniquely preserves the remaining vestige of this historic gateway and provides design criteria to ensure that future development in the area is compatible with The Alameda's historic image. Detailed architectural controls were incorporated into the Planned Development zoning district; this is unusual because most zonings only peripherally address architectural issues. The Alameda zoning was completed in April 1986 and won the Award of Excellence in Historic Resources Preservation.

An Historic Resources Inventory, cataloging over 2000 historic structures, was published in January 1987 after Council adoption in 1986. The Inventory is a valuable reference guide for land use and development planning related to historic preservation. Also, in the past year, the City Council has adopted the first Council Policy providing for the recognition and preservation of the City's historic houses with the Historic House Preservation Policy.

The Historic Landmarks Commission continually evaluates proposed sites and districts for historic designation. Designations to City, State, and/or National Registers are nominated by property owners, the Historic Landmarks Commission or City staff. From 1985 to July 1987, the City's designated landmarks have increased from 28 to 41, representing a 46% increase.

In addition, the Historic Landmarks Commission is actively pursuing certification by the State Office of Historic Preservation for the Certified Local Government Program. State certification will allow the City to participate more actively as a clearinghouse for State and Federal historic programs and to earmark future funding for preservation programs.

Other activities which contribute to the Urban Conservation/Preservation Strategy include the preservation of Heritage Trees and the conservation of the City's archeological resources. The City has an inventory of Heritage Trees. New development is carefully planned to protect and preserve these trees. City-wide archeological resources are also well-catalogued to facilitate their preservation. A major archeological resource was uncovered with the construction of the Fairmont Hotel in Downtown San Jose. The artifacts, which tell the story of the Chinese community living Downtown in the 1850's, will be displayed in the Fairmont's lobby. The display will promote the cultural heritage of the Downtown, thereby enhancing community identity.

These historic preservation accomplishments promote historic awareness and community identity and enhance the quality of urban living.

Neighborhood Business Districts

The Neighborhood Business District (NBD) program contributes revitalization of older neighborhood commercial areas of San Jose. Since its inception in 1982, four commercial streets have neighborhood business districts:

- Lincoln Avenue (Willow Glen)
- Alum Rock Avenue
- East Santa Clara Street
- Jackson Street (Jackson-Taylor or Nihonmachi)

The purpose of the program is to promote small business development and enhance the economic viability of San Jose's older retail districts. Specific activities include marketing programs, urban design, public improvements, and financial and technical assistance. Primary funding for the program is from federally administered Community Development Block Grants (CDBG). These monies must be spent on projects which benefit low and moderate income residents and prevent blight.

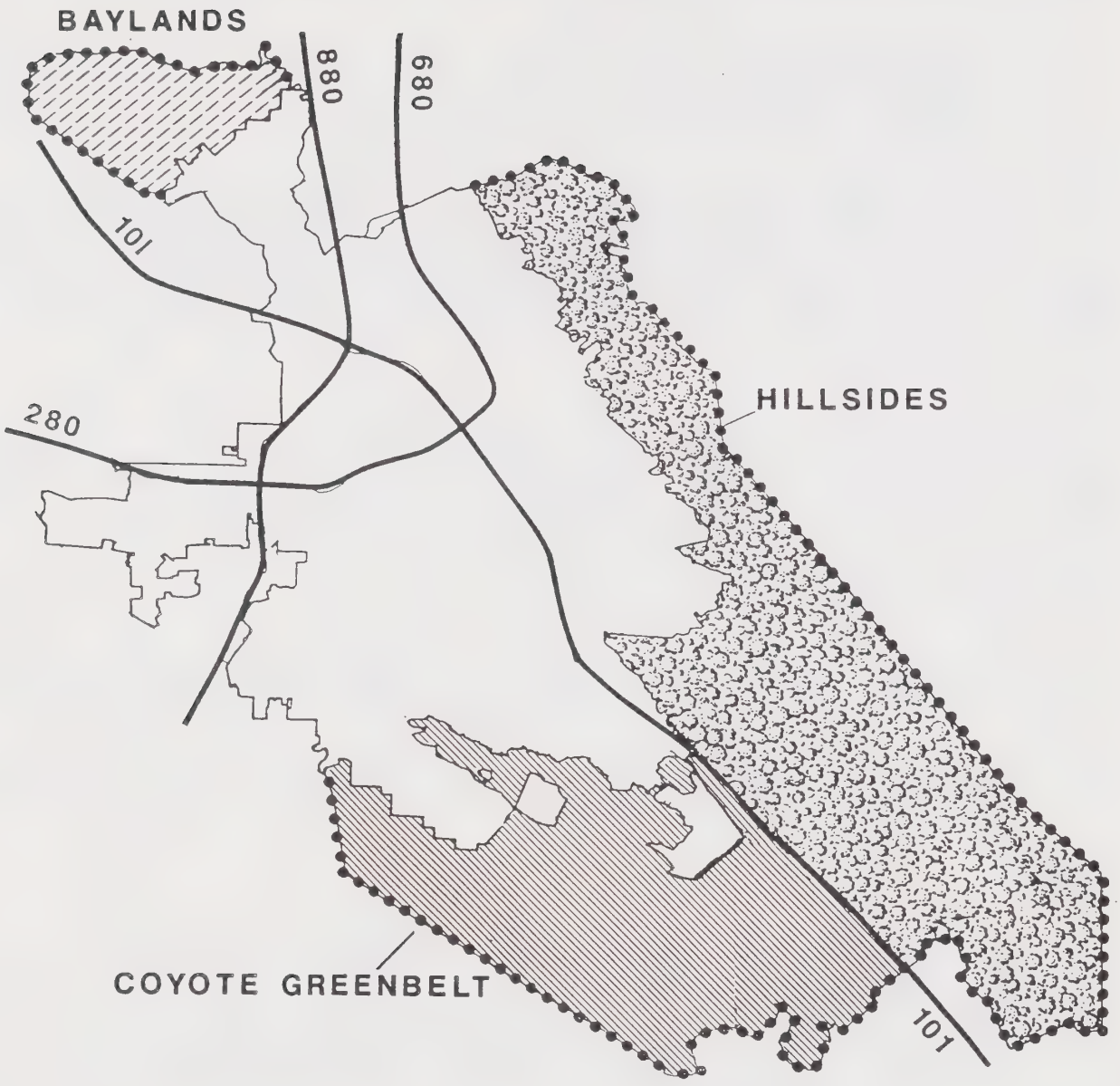
Progress to date for each NBD varies. Alum Rock Avenue, East Santa Clara Street, and Lincoln Avenue are the oldest NBDs and physical improvements and design guidelines are now being implemented. Business District Revitalization Plan recommendations for the Jackson Street NBD (commonly known as Jackson-Taylor or Nihonmachi) were adopted by Council in March 1987. Currently, the Neighborhood Study is in progress. Some physical improvements are already in place.

In January 1987, the City Council affirmed its commitment to the NBD Program. Alum Rock Avenue, East Santa Clara Street, and the Monterey Corridor are currently under consideration as Redevelopment Areas. If these Areas are finalized and merged with existing Redevelopment Areas, tax increment funds will finance the revitalization effort along these streets. This would allow CDBG money to be spent on other NBDs.

Summary

San Jose is pursuing a variety of activities, from infill development to historic preservation, which contribute to the Urban Conservation and Preservation Strategy. These actions enhance community identity and the quality of life within the City. In addition, new development is scrutinized for sensitivity to its surroundings, including neighborhoods as well as environmental, historical, and archaeological resources which are deserving of preservation and conservation.

Figure 21
San Jose Greenbelt



Source: Department of City Planning, City of San Jose

Greenline Strategy

Hillside and Greenbelt Assessment Study
Greenbelt Implementation Program

The Greenline Strategy is a new General Plan strategy to define the ultimate perimeter of urbanization. The Greenline is intended to serve three purposes: to develop a clearer identity for San Jose by delineating where the City begins and ends; to improve the quality of life for the City's residents; and to encourage the efficient use of resources, facilities and services. Key elements of the Greenline are the hillsides within the San Jose Sphere of Influence, baylands, and rural areas in the South Coyote Valley. These multiple use lands are productive and valuable, but not for urban uses.

To implement the Greenline Strategy, the General Plan directed the preparation of the Hillside and Greenbelt Assessment Study. This chapter summarizes the major findings of the Study and its implementation measures.

Hillside and Greenbelt Assessment Study

The Hillside and Greenbelt Study was conducted by a 25-member Task Force appointed by the Mayor and City Council. From its comprehensive analysis, the Task Force decided that a multi-faceted approach was the most politically viable and economically feasible way to preserve open space. This conclusion was presented in the Final Report of the Hillside and Greenbelt Study, adopted by the City Council in December 1986. The report outlined five program concepts which serve as the policy foundation and guide future preservation actions:

- Equitable Compensation -- recognizes the desirability of balancing the public's interest in maintaining undeveloped lands as open space with the economic interests of the owners of those lands.

- Resources for Acquisition -- realizes that open space preservation will require a revenue stream to support both the anticipated land purchases and the purchasing agency itself.

- Preservation Priorities -- identifies the important role of a process to prioritize areas for preservation attention.

- Flexibility and Innovation -- acknowledges that preservation is a long-term strategy which must respond to changing conditions to succeed.

- Regional Cooperation -- recognizes that open space preservation requires the cooperative participation of public agencies with authority over the greenbelt and interest in its preservation.

The program outlines a number of techniques to achieve long-term preservation of the Greenbelt. In combination, these techniques incorporate the five program concepts and provide a vehicle for implementing the Greenline Strategy in the General Plan. Specific open space preservation techniques are:

- Open Space Acquisition: The most important lands for preservation must be purchased. A new agency with a secure funding source was determined to be the optimal approach since public opinion surveys showed a higher degree of distrust associated with an existing agency (i.e., the City of San Jose or Santa Clara County) administering open space acquisition funds.

- Trading development for Open Space: For some parcels, additional incentives may be required to promote open space preservation. These incentives include:

  -- Parcel Consolidation/Cluster Technique to combine adjacent properties and to cluster their collective, allowable development.

  -- Hillside Transfer Development Credits Technique to exchange development potential of the most sensitive hillside areas for development credits. Credits could be used to develop less sensitive areas or could be purchased without development by a public agency to preserve open space.

  -- Coyote Valley Transfer Development Credits Technique to preserve lands in the southern portion of the Coyote Valley having the most open space character by transferring development potential to lands in the Coyote Valley with existing rural residential character.

- Formation of a Land Trust: A private, non-profit Trust will facilitate the public/private partnership necessary for optimizing the effectiveness of limited open space preservation resources.

- Consistent Land Use Regulations: A firm and consistent regulatory base is needed to preserve open space. This requires a cooperative effort by the City and the County.

Greenbelt Implementation Program

The implementation of the Hillside and Greenbelt Program involves both short- and long-term actions. The first is the formation of an Implementation Committee comprised of decision makers from the City and the County. The County is currently completing a preservation program ("Preservation 2020") which closely parallels the program adopted by the City. Based on the shared goal of preserving open space lands, the Implementation Committee provides an efficient means to accomplish both programs. The Implementation Committee will be responsible for establishing a new agency in charge of acquiring open space, providing incentives for conservation, and developing consistent land use regulations.

Summary

The Horizon 2000 General Plan directed the completion of the Hillside and Greenbelt Study and the development of a preservation program. This direction has been completed. However, this is only the first step toward implementing San Jose's Greenline Strategy. Securing permanent open space preservation requires a long-term commitment. The creation of a new public agency with the sole purpose of preserving open space lands will help ensure that commitment. This, and the other aspects of the adopted program will be accomplished over the next few years under the leadership of the Implementation Committee. It is anticipated that a new public agency will share a leadership role in open space preservation with San Jose and Santa Clara County. The resulting greenbelt surrounding the City of San Jose will complete the implementation of the Greenline Strategy, symbolizing the logical and practical limit of San Jose's urbanization.

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